

SUMMER PROJECT REPORT

“A Study on Process of Government Scheme for Rural Areas with Respect to Funds Allotment to Bhandara Nagar Parishad for the year 2020 to 2021”

Submitted to:

Rashtrasant Tukadoji Maharaj Nagpur University, Nagpur

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**Department of Management Sciences and Research,
G.S. College of Commerce & Economics, Nagpur
NAAC Accredited “A” Grade Institution**



Academic Year 2022-23



CERTIFICATE

This is to certify that the investigation described in this report titled “**A Study on Process of Government Schemes for Rural Areas with Respect to Funds Allotment to Bhandara Nagar Parishad for the year 2020 to 2021**” has been carried out by **Ms. Krutika Bhagwan Nandanwar** during the summer internship project. The study was done in the organisation, **Jayant D. Patrale & CO**, in partial fulfillment of the requirement for the degree of Master of Business Administration of **R.T.M.Nagpur University, 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.

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Date: 09th November, 2022.

Internship Certificate

This is to certify that **Miss Krutika B. Nandanwar**, student of MBA in finance in D.M.S.R., G. S. College of Commerce & Economics, Nagpur, has successfully completed her 45 working days of Internship program practical training in our office from 21st September to 5th November 2022.

During the period of her internship with us she was punctual, hardworking and inquisitive. She was able to complete the task successfully on time.

We wish her success in her future career.

For **J.D. PATRALE & CO.**
Chartered Accountants

JAYANT PATRALE
(Proprietor)



ACKNOWLEDGEMENT

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

I am thankful to “**Mr. Jayant D. Patrale**” 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. Shubhangi Jepulkar**” for helping me during the project.

I'm thankful to the principal of G.S. College of Commerce and Economics, Nagpur, **Dr. S.S. Kathaley** and to the Dean of DMSR, **Mr. Anand Kale**.

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

Krutika Bhagwan Nandanwar

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1. Introduction

AUDIT

Broadly, Audit involves the following:

- 1) In-depth study of existing systems, procedures and controls for proper understanding. Suggestions for improvement and strengthening.
- 2) Ensuring compliance with policies, procedures and statutes.
- 3) Comprehensive review to ensure that the accounts are prepared in accordance with Generally Accepted Accounting Policies and applicable Accounting Standards/IFRS.
- 4) Checking the genuineness of the expenses booked in accounts.
- 5) Reporting inefficiencies at any operational level.
- 6) Detection and prevention of leakages of income and suggesting corrective measures to prevent recurrence.
- 7) Certification of the books of account being in agreement with the Balance Sheet and Profit and Loss Account.
- 8) Issue of Audit Reports under various laws.

1. Types of Audits conducted

- Statutory Audit of Companies
- Tax Audit under Section 44AB of the Income Tax Act, 1961.
- Audit under other sections of the Income Tax Act, 1961 such as 80HHC, 80-IA, etc.
- Concurrent Audits.
- Revenue Audit of Banks.
- Branch Audits of Banks.
- Audit of PF Trusts, Charitable Trusts, Schools, etc.
- Audit of Co-operative Societies.

- Information System Audit
- Internal Audits.

- **Audit and Assurance Department:**

Firm provides audit and assurance services to wide range of clients which include performing audits of financial statements of limited companies, NGOs and partnerships. Firm also performs special assignments which include management audits, internal audits and investigations. Audit focuses on business issues and the matters that can impact on the financial statements, whilst also retaining the basic audit procedures that test the information contained in the financial statements. Services are aimed to comply with the legal requirements as defined under the various laws and regulations in Pakistan. In doing so firm not only identify the non-compliances but also assists clients in its rectification, designing remedial measures and provides guidance to adhere with the laws and regulations. Firm always endeavor to meet reporting deadlines as set out by the laws and regulations or as mutually agreed with clients, without compromising the professional, legal and ethical requirements.

1. Firm emphasis on delivering high quality services to clients, adding value to their business through identification of existing and potential control risks and suggesting best possible measures in the given circumstances. Firm always place priority in deploying audit teams to clients who are well equipped with the specific industry knowledge, experience and are professionally sound.
2. **Tax & Corporate Department:** Firm delivers taxation services to clients and assists them in obtaining optimal tax benefits available under the laws. Firm also assist clients to comply with the tax rules and regulations and always keep them updated with the latest developments and amendments. Tax personnel are qualified professionals, experienced and knowledgeable. We maintain a comprehensive tax library which always provides ready references and timely solution in complex situations. Firm provides a comprehensive range of tax services which includes;

- Preparation and submission of annual tax returns
- Compliance services
- Tax advisory services
- Representation and litigation with tax authorities
- Personal income tax services

In Jayant D. Patrale & Co. same staff is handling with tax matters as well as corporate sector. While in corporate firm provides different kinds of services relating to corporate sector from incorporation to winding up of a Company.

- **Computer Department:** Department handles the computer related matters and assists other departments in working properly and efficiently. Department deals with online filing of returns of income for tax department and finalize audit reports in proper format in a presentable manner. It deals with networking of computers in office and all other problems which may be faced by computer users time to time.
- **Correspondence Department:** It handles with all the correspondence of the firm by sending the solicited and unsolicited information from time to time. Effectively and efficiently manage the day-to-day operations of the Correspondence. Interact with clients to resolve policy and customer issues. Identify trends and remove obstacles in Statement production and delivery by properly maintaining record of all communication for future reference.
- **HR Department:** This department is mainly concerned with the recruitment, hiring/firing of the firm and this department presents the timely reports on effective utilization of the resources by the firm. A purpose of the human resource is to keep the trained employees and recruit new energetic staff to work. Another purpose of this department is to provide a good working environment for staff and try to make by facilitating them and arranging some recreational activities for them. HR knows the real worth of its employees so cares for them and motivate them to work more efficiently and diligently.

The hierarchy adopted by Jayant D. Patrale & Co. is in accordance with the legal structure a CA firm

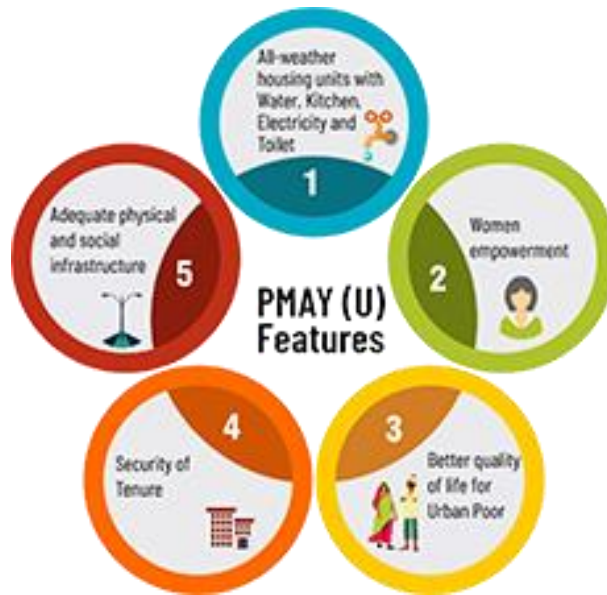
shall have. Although the ICAI rules permit of not having the supervisors and does not make it mandatory having senior manager and manager, yet this goes as additional benefit for the firm of having such an extensive hierarchy.

Pradhan Mantri Awas Yojana – Urban (PMAY-U)

Pradhan Mantri Awas Yojana – Urban (PMAY-U), a flagship Mission of Government of India being implemented by Ministry of Housing and Urban Affairs (MoHUA), was launched on 25th June 2015. The Mission addresses urban housing shortage among the EWS/LIG and MIG categories including the slum dwellers by ensuring a pucca house to all eligible urban households by the year 2022, when Nation completes 75 years of its Independence.

The Mission provides Central Assistance to the implementing agencies through States/Union Territories (UTs) and Central Nodal Agencies (CNAs) for providing houses to all eligible families/beneficiaries against the validated demand for houses for about 1.12 cr. As per PMAY(U) guidelines, the size of a house for Economically Weaker Section (EWS) could be upto 30 sq. mt. carpet area, however States/UTs have the flexibility to enhance the size of houses in consultation and approval of the Ministry.

In continuation to this Government's efforts towards empowerment of women from EWS and LIG unlike earlier schemes, PMAY (U) has made a mandatory provision for the female head of the family to be the owner or co-owner of the house under this Mission. Verticals of PMAY (Urban) A basket of options is adopted to ensure inclusion of a greater number of people depending on their income, finance and availability of land through following four options.



Features of Pradhan Mantri Awas Yojana – Urban (PMAY-U)

2. COMPANY PROFILE

Jayant D. Patrale & Co. was established in the year 2011. It is a leading chartered Accountancy firm rendering comprehensive professional services which include audit, management consultancy, tax consultancy, accounting services, manpower management, secretarial services etc.

Jayant D. Patrale & Co is a professionally managed firm. The team consists of distinguished chartered accountants, corporate financial advisors and tax consultants. The firm represents a combination of specialized skills, which are geared to offers sound financial advice and personalized proactive services. Those associated with the firm have regular interaction with industry and other professionals which enables the firm to keep pace with contemporary developments and to meet the needs of its clients.

Organization is working as a Chartered Accountants firm under the rules and regulations and code of ethics designed for CA firms by ICAI (The Institute of Chartered Accountants of India).

The Institute of Chartered Accountants of India (ICAI or the Institute) was established as statutory body on July 1, 1961 under Chartered Accountants Ordinance, 1961 to regulate the profession of accountancy in the country.

ICAI is governed by the Council which consists of nineteen members. Fifteen members are elected from amongst the members for a period of four years. The remaining four of the Council members are nominated by the Government of India.

Vision of the ICAI is:

The profession of Chartered Accountants in India should be the benchmark of professional excellence upholding the principles of integrity, transparency and accountability.

Mission of ICAI:

Is to achieve excellence in professional competence, add value to businesses and economy, safeguard public interest; ensure ethical practices and good corporate governance while recognizing the needs of globalization.

These kinds of firms provide different kinds of professional services like audit, taxation and management consultancy to its clients.

The Chartered Accountancy course is conducted by the Institute of Chartered Accountants of India, which has its headquarters in New Delhi, 5 regional offices (Calcutta, Kanpur, Chennai, Mumbai and New Delhi) and 81 branches under these regional centers.

Organizational Structure

A hierarchy is an arrangement of items (objects, names, values, categories, etc.) in which the items are represented as being "above," "below," or "at the same level as" one another and with only one "neighbor" above and below each level. These classifications are made with regard to rank, importance, seniority, power status, or authority. A hierarchy of power is called a power structure.

- Partners
- Directors
- Senior Managers
- Managers
- Supervisors
- Senior Trainee Students
- Junior Trainees

Partners are often the founders of the firms. Most of the firms' names are associated with the names of partners. They are basically the main parties who issue and sign any report (specifically audit report) on behalf of the firm. Partners mostly communicate with the Senior Managers. In other words, the progress of any report and any inquiry is made from the Senior Managers and hierarchal structure is strictly followed to avoid any disruption.

Managers are inquired of by Senior Managers and mostly manager manage audit field works etc and after field work managers with cooperation of senior managers makes and finalize any audit report to be issued. Senior Manager is a qualified Chartered accountant having more than 10 year working experience.

Field work and information collection and implementation of policies by adopting changes in rules & regulations is the main responsibility of supervisors and trainees. They use different kind of techniques for error and fraud detection.

Jayant D. Patrale & Co. Is having its head office in Nagpur Almost all the controls and regulations are dealt at head office in Nagpur. All the offices constitute different number of departments who basically handle their respective functions. The major departments include.

CORPORATE SERVICES

- Incorporation of company
- Consultancy on Company Law matters.
- Planning for Mergers, Acquisitions, De-mergers, and Corporate re-organizations.
- Filing of annual returns and various forms, documents.
- Clause 49 review for compliance with fiscal, corporate and tax laws
- Secretarial Matters including share transfers
- Maintenance of Statutory records
- Consultancy on Public/Rights/Bonus Issue of shares.
- Change of Name, Objects, Registered Office, etc.

Clients :-

1. Nagar Parishad
2. Government Bodies
3. Individuals
4. Public Company
5. Semi-Government
6. NGOs

7. SRPF

3. Terminologies

1. **Account payable** are short-term obligation to be paid by an organization.
2. **Accounts Receivable** form part of current assets and refer to amounts due from parties to whom we have sold goods or services or incurred expenses on their behalf for which money is yet to be realized.
3. **A Balance sheet** is a reconciliation of assets (current and non current), and capital invested in an organization.
4. **Current Assents** refer to an organization's generally during the same financial year.
5. **Expenses** All the money outflow (present or future) incurred for procuring goods and services to affect sales in business (direct expenses) and incidental to the business (indirect expenses).
6. **Fixed Assets** are tangible resources that an organization uses for carrying out daily operations of a business, land, plant, machine, etc.
7. **Liabilities** are the present and future obligations of an organization .
8. **Revenue** the gross income earned by the organization from carrying out core business activities without deduction of any expenses is termed as revenue earned by the organization.
9. **Audit** is an examination of books of accounts prepared by an organization to validate the entries recorded.

4. Objectives of the Study

- To learn the record keeping, entries of the funds through accounting software Tally ERP 9.
- To understand the process of funds allotment and disbursed for the rural areas.
- To analyze the process flow of funds through government channels.
- To learn the practical knowledge related to the management studies.
- To learn the government scheme & how it work.

5. Scope of the SIP

- It is the necessary process conducted in all the business organizations.
- Tally can be used in many tasks it is applicable in all fields regarding inventory.
- The business activities are all recorded, operated through computerized systems. Hence
- Understanding and practicing the software in-hand becomes essential learning.
- Learning about the auditing will allow understanding the importance of the proper maintenance of the records and related documents in various business entities.
- Powerful tool for Accounting and finance : Tally can be used for various purpose and it can be used in any field regarding Accounting and software.

6. Need of the Study

- Audit ensures fairness and accuracy of the financial information.
- With the help of tally one can easily create deposit slip, print cheque, maintain cheque , register and many more things.
- Financial management with respect to the disbursement and recording of the funds can be learnt as a part of experiential learning.

7. Contribution during SIP

1. In 1st week :- Check previous year SRPF cash book data of 2019 to 2020, 2020 to 2021
cash book entries put up in tally software
2. In 2nd week :- 2021 to 2022 Nagar Parishad cash book entries put up in tally software.
3. In 3rd week tally bank statement with the cash book of Nagar Parishad 2021 to 2022
4. In 4th week New bank statement allotted to me for tally the cash book data with each other.
5. In 5th week :- given data to calculate GST.
6. In 6th week :- Check and verify all 109 bank accounts with cash book. **Overview of Tally**

ERP 9

Journal entry

Journal Vouchers are used to adjust the debit and credit amounts without involving the cash or bank accounts. Hence, they are referred to as adjustment entries.

Creating a Journal Entry

Journal entries are usually used for finalization of accounts.

To pass a Journal Voucher,

Go to Gateway of Tally > Accounting Vouchers

- Click on F7: Journal on the Button Bar or press F7.

For example, there may be entries made for interest accrued or interest due. If you have to receive Interest from a party, the same can be entered using Journal Voucher.

1. Debit the Party
2. Credit the Interest Receivable Account

The Journal entry is displayed as shown:

Particulars	Debit	Credit
By Debtor A Cur Bal 1,000.00 Dr New Ref 1 1,000.00 Dr	1,000.00	
To Interest Receivable Cur Bal 1,000.00 Cr		1,000.00

Narration:
Interest receivable from Debtor A.

1,000.00

Accept ?
Yes No

SPECIAL KEYS FOR VOUCHER NARRATION FIELD:

- ALT+R: Recalls the Last narration saved for the first ledger in the voucher, irrespective of the voucher type.
- CTRL+R: Recalls the Last narration saved for a specific voucher type, irrespective of the ledger.

Allowing Cash Accounts in Journals

Journals are adjustment entries, which do not involve Cash account and Bank account. However in exceptional cases where the user would like to account Journal entries involving Cash/Bank Account, Tally.ERP 9 has the flexibility of passing such entries by enabling the option under F12 configuration.

To enable Cash Accounts in Journal voucher,

- Set Allow Cash Accounts in Journals to Yes in F12: Configure (Voucher Entry Configuration).

Voucher Entry Configuration			
Accounts		Inventory	
Skip Date field in Create Mode (faster entry)	? Yes	Use Ref. Number in Stock Journal	? No
Use Single Entry mode for Pymt/Rcpt/Contra	? Yes	Warn on Negative Stock Balance	? Yes
Use Payment/Receipt as Contra	? No	Honor Expiry Dates usage for Batches	? Yes
Use Cr/Dr instead of To/By during entry	? Yes	Show Balances as on Voucher Date	? No
Warn on Negative Cash Balance	? Yes	Show Godown-wise Details	? Yes
Pre-Allocate Bills for Payment/Receipt	? No	Show Batch-wise Details	? Yes
Allow Cash Accounts in Journals	? Yes		
Allow Expenses/Fixed Assets in Purchase Vouchers	? No		
Allow Income Accounts in Sales Vouchers	? No		
Show Inventory Details	? Yes		
Show Cost Centre Details	? Yes		
Show Table of Bill Details for Selection	? Yes		
Show Bill-wise Details	? Yes		
Expand into multiple lines	? Yes		
Show Ledger Current Balances	? Yes		
Show Balances as on Voucher Date	? No		
Show Forex Gain/Loss as on Voucher Date	? No		

To pass a Journal voucher with Cash/Bank Ledger,

1. Go to Gateway of Tally > Accounting Vouchers > Select F7: Journal
2. Press the spacebar at the Debit or Credit field.

The Journal Voucher Screen with Cash/Bank Ledger selection will appear as shown:

Debit Note Entry

Debit Note is a document issued to a party stating that you are debiting their Account in your Books of Accounts for the stated reason or vice versa. It is commonly used in case of Purchase

Returns, Escalation/De-escalation in price, any other expenses incurred by you on behalf of the party etc.

Debit Note can be entered in voucher or Invoice mode.

You need to enable the feature in F11: Accounting or Inventory features.

- To use it in Voucher mode you need to enable the feature in F11 :Accounting Features - Use Debit / Credit Notes.
- To make the entry in Invoice mode enable the option F11: Accounting Features - Use invoice mode for Debit Notes.

To go to Debit Note Entry Screen,

Go to Gateway of Tally > Accounting Vouchers

- Click on Ctrl+F9: Debit Note on the Button Bar or press Ctrl+F9.

You can toggle between voucher and Invoice mode by clicking Ctrl+V.

Pass an entry for the goods purchased returned to Supplier A:

Name of Item	Quantity	Rate per	Amount
Item A	50 nos	10.00 nos	500.00
End of List			

Narration: Good Purchased returned to Supplier A.

Accept? Yes No

Special Keys for Voucher Narration Field:

- ALT+R: Recalls the Last narration saved for the first ledger in the voucher, irrespective of the voucher type.
- CTRL+R: Recalls the Last narration saved for a specific voucher type, irrespective of the ledger.

Credit Note Entry

Credit Note is a document issued to a party stating that you are crediting their Account in your Books of Accounts for the stated reason or vice versa. It is commonly used in case of Sales Returns.

A Credit Note can be entered in voucher or Invoice mode.

You need to enable the feature in F11: Accounting or Inventory features.

- To use it in Voucher mode you need to enable the feature in F11 :Accounting Features - Use Debit / Credit Notes.
- To make the entry in Invoice mode enable the option F11: Accounting Features - Use invoice mode for Debit Notes.

To go to Credit Note Entry Screen:

Go to Gateway of Tally > Accounting Vouchers

1. Click on Ctrl+F8: Credit Note on the Button Bar or press Ctrl+F8.

You can toggle between voucher and Invoice mode by clicking Ctrl+V.

Pass an entry for goods sold returned from Customer A:

Name of Item	Quantity	Rate per	Amount
Item A	25 nos	25.00 nos	625.00

End of List

Narration: Goods sold to Customer A returned.

Accept ?

Special Keys for Voucher Narration Field:

- ALT+R: Recalls the Last narration saved for the first ledger in the voucher, irrespective of the voucher type.
- CTRL+R: Recalls the Last narration saved for a specific voucher type, irrespective of the ledger.

8. Limitations

1. The SIP report covers data based on the understanding of very limited information for a very short period.
2. Focused was on study only entries of data related to government schemes
3. The study covers very small part of the schemes. There is a lot of scope for inclusion of more information like disbursement records etc. Due to limited access to confidential data, only overview is covered herein.

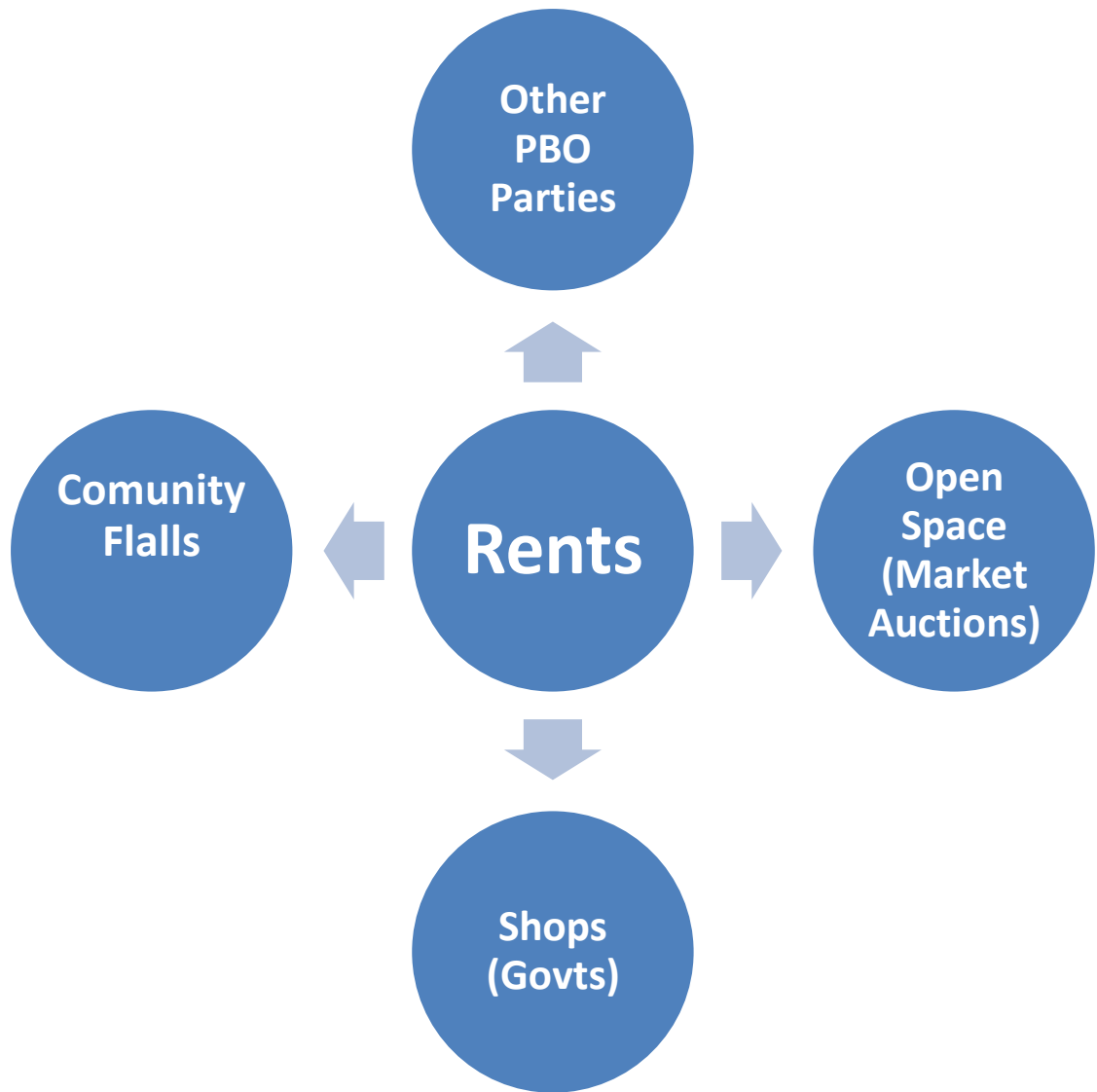
Grant

Sahayak
Anudan
(Salary
Grants)

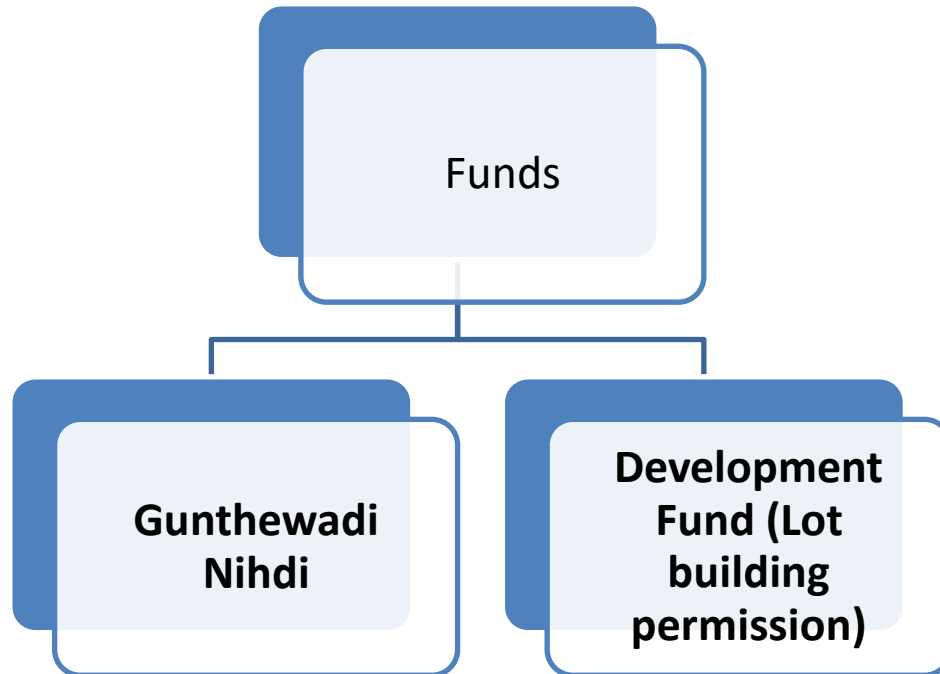
Special
Grants
Development

Finance
Commision
Grants

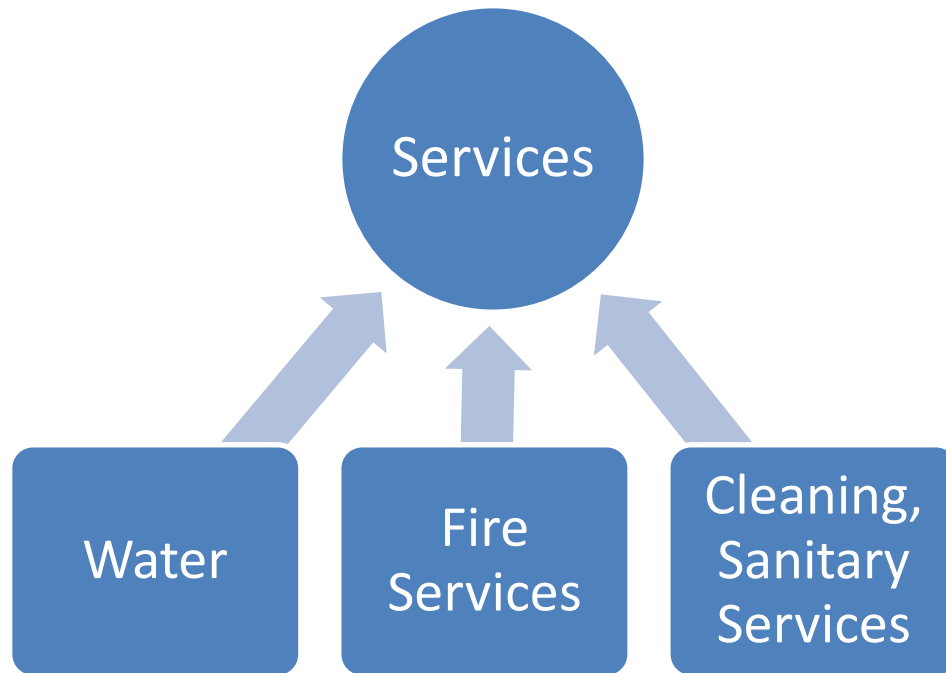
Grants Received by Bhandara Nagar Parishad



Various Types of Rents Collected by the Bhandara Nagar Parishad



Types of Funds disbursed in the Rural Area through Pradhan Mantri Awas Yojana – Urban (PMAY-U)



Various Services offered by the Bhandara Nagar Parishad

The bank account is related to government schemes for rural area. Limitations

- They have a small staff with shallow skills base in many areas.
- Less number of staff members.
- Developments in technology change this market beyond Jayant D. Patrale & CO. Ability to adopt.
- Change in government policies and procedures may act as threat for company.
- A small change in focus of large competitor might wipe out any market position Jayant D. Patrale & CO. achieve.
- Jayant D. Patrale & CO. Has many competitors. Under certain circumstances these competitors may act as a major threat for the organization.

Research Methodology

Research Methodology is a methodology for collecting all sorts of information & data pertaining to the subject to question. The objective is to the overall research design, sampling procedure & fieldwork done & finally the analysis procedure.

9. Findings

1. Tally is an important software in terms of monetary applications and accounting systems.
2. Tally is an important tools in calculating monetary terms, accountancy, tax and GST calculating, managing commercial transactions effectively and efficiently.
3. Tally is used in POS Software especially designed to meet daily financial transactions and Calculations.

10.Conclusion

- Tally is widely used accounting software by the organizations.
- Government funds for the rural areas are disbursed through widely spread channels and are well recorded and analyzed.

• 12. Bibliography

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