

## **COMPANY PROFILE**

Krishnakanth & Co., was established in the year 2020. 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.

Krishnakanth & 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 offer 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.

### **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.

## AUDIT

Broadly, Audit involves the following:

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

## **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.

## Objective of the Study

I choose to work with Krishnakanth & Co., During this internship I have learnt many new skills. Before internship I have only theoretical knowledge about work in organization but now I have practical some practical experience of working in organization. Now I have knowledge about the organization's working environment and how organizations work and achieve their goals and objectives.

This internship has to gives me the understanding of business and also about the elements of strategic thinking, planning and implementation, and how these things are applied in a real world organization environment. Following are the objectives that I have in my mind before working as an internee.

- ☐ To improve communication skills.
- ☐ To analyze the business situation.
- ☐ To establish high standard in professionalism.
- ☐ To learn more than the theoretical knowledge.
- ☐ To learn book keeping practices of different companies.
- ☐ To apply the theoretical knowledge in actual organization.
- ☐ To compare practical aspects with theoretical aspects.
- ☐ To make quick decision in real situation.
- ☐ To learn how to promote and to conduct research in business area.
- ☐ To promote my personal knowledge and professional preparation for future. To properly integrate my theoretical knowledge and practical work.
- ☐ To plan for the future of oneself and learn how to adjust in an organization.
- ☐ To know how to present your recommendations in front of your boss.
- ☐ To get knowledge of opportunities and threats while entering into an organization.
- ☐ To get exposure to do a work in an organization and also known about organizational behavior, ethical rules and regulations.

## JOB DESCRIPTION

I have tried my best to enhance my abilities and apply the knowledge that I gained during the studies. On my first day at firm, company secretary CA Krishnakanth K Sir gave me training session about TDS returns and computerized accounting in tally software. Mr. Venkatesh Sir (assistant) also shared his practical experience with me and gave me some techniques of this process. He also guided me that how to prepare VAT return and creating data in income tax return preparation software.

Different task that I performed during my internship:

1. Maintenance of accounts/ book keeping.
2. TDS return preparation.
3. VAT returns preparation.

Software used during internship:

1. Compuoffice
2. Tally software

## Auditing

**Auditing is the process of assessment and ascertaining of financial, operational, and strategic goals and processes** in organizations to determine whether they are in compliance with the stated principles in addition to them being in conformity with organizational and more importantly, regulatory requirements. Indeed, among the objectives of auditing as mentioned above, conformance with regulatory norms and rules and regulations is indeed one of the drivers behind auditing and historically and traditionally, has been the main reason why organizations get their financial statements, operational process, and strategic imperatives audited.

### Importance of Auditing

- Audit satisfies the owner about the working of the business operations and the functioning of its various departments.
- The audit helps in the detection and prevention of errors and frauds.
- The audit helps in maintaining the records and verification of books of the books of accounts.
- The independent opinion of the auditor is extracted through auditing which is extremely essential for the management of the company.
- The audit establishes a moral check on the staff of the business so that they became aware of not committing any irregularity. This makes the staff more active and responsible.
- Audit protects the interests of the shareholders in the case of a joint-stock company by assuring them that their accounts are being managed properly and their interests will not suffer under any circumstances.
- Audit creates confidence among stakeholders such as creditors, debenture holders, and banks, etc.
- Audited statements ensure compliance with legal requirements such as listing requirements of stock exchange etc.
- Auditing reinforces and strengthens Internal control and provides suggestions necessary in the internal control system.
- Audited financial statements enable easy access to loans because it provides a crystal clear image to the banks.

## Internal Audit

An audit is a detailed examination or inspection of financial records and accounting documents. While the term is commonly linked to a financial audit of an organization, there are several other types of audits. In this article, we will learn more about what an audit is, the various types of audits and the benefits of conducting an audit.

An audit involves the inspection of documents to confirm the accuracy of an organization's financial statements. Following an initial examination of financial records, an auditor performs physical checks on inventory and makes sure that transactions are correctly recorded.

An internal audit is conducted by one of the company's employees who then reports their findings to an audit committee of the board of directors. Internal audits can help a company define areas for improvement while providing necessary information to reach company goals

While an external audit usually focuses on financial matters, the scope of an internal audit is broad and can include anything that may have an impact on achieving company goals

Investigating cases of fraud or theft

Monitoring regulations and law compliance

Checking the effectiveness of internal controls and advancing ideas for improvement reviewing and verifying financial and operational information

Examining the economy, efficiency and effectiveness of company processes and operations

Evaluating company risk management procedures and policies

## **Stock Audit**

The process of auditing is done through a set of rules and regulations as per the companies' act 2013. It examines the financial statement of a company to determine the prepared statements to be true and fair in terms of company affairs.

The stock audit process is necessary to reduce the avoidable investment on stocks or inventory to ensure proper balance in the process. As high levels of stock result in overstocking which may result in the poor value of cash flows and financial losses.

The auditor's task is to check the statements during the process of examination. If he/she comes across with any fraud or discrepancy by the management of the company, then the auditor should mention those in his report. The auditor cannot perform an audit on assumption that management of the company might have committed fraud.

The main reasons for executing the audit are to correct the discrepancies that are present in the stock record when verified with the physical stock bypassing necessary adjustment entries. Following are the reasons why it is looking forward to performing a stock audit:

- To update the starting stock details.
- To identify the discrepancy between stock records also known as computed stock and physical stock.
- To update actual physical stock as a stock record.
- To ensure proper handling of stocks.



## **Procedure of Stock Audit**

- Report Flash
- Scheduling Stock
- Location Barcoding
- Global Counting
- Scanning
- Uploading of Scans
- Variance Analysis
- Sign Off

## Overview of TDS

Tax deducted at source (TDS) is a tax that is deducted from income that a company in India pays to a recipient or supplier if the income amount exceeds a specific statutory limit in a financial year.

The types of income that are subject to TDS include:

- ☐ Salary.
- ☐ Interest and dividends.
- ☐ Winnings from the lottery.
- ☐ Insurance commission.
- ☐ Rent.
- ☐ Fees from professional and technical services.
- ☐ Payments to contractors and subcontractors.

The withholding amounts for TDS can be deducted from an invoice submitted by a supplier or from the payment that is issued to the recipient or supplier. Examples of recipients and suppliers include contractors, providers of professional services, employees, and real estate landlords. Companies submit a TDS certificate to each supplier on a monthly or yearly basis. The certificate includes the payments, as well as information about the company and supplier. Companies must also submit an annual return to the government for each recipient or supplier for the financial year. TDS certificate can be either Form 16 (R75I10A) or Form 26Q-P2P-IND (R75I122EQ). Form 16 is the TDS certificate which an individual submits and Form 26Q is the TDS certificate which a company submits to the tax authorities.

TDS must also be deducted from payments issued to third parties by both corporate and noncorporate entities. The entity must deposit the amount owed for withholding at any of the designated branches of banks that are authorized to collect taxes on behalf of the government of India. The entity must also submit the TDS returns, which contain details about the payments and the challan for the tax deposited to the Income Tax Department (ITD).

For electronic TDS, companies must generate the Form 26Q for each financial quarter. This is a statutory requirement for the ITD.

## Process Flow of TDS

The process flow shows the steps to charge and remit TDS:

Create vouchers for suppliers with  
pay status % and applicable tax type

Calculate TDS on vouchers

Issue payments to suppliers with TDS  
amounts deducted

Submit monthly payment for TDS to tax  
authority

Update Challan

Generate monthly statements and submit  
quarterly and annual returns

## Preparation of VAT returns

At the end of the month or each quarter, you file a VAT return with the tax office, and remit the VAT due.

## Prerequisites

You have carried out the activities described in closing for VAT.

## Process

1. You prepare a copy of the Sales ledger and the Purchase Ledger

The ledgers show the invoices that have been paid and on which VAT is thus due. The ledgers are for your own reference in the event of a checkup by the tax office.

2. You prepare the VAT return. This consists of two steps.

1. You calculate the total amounts of VAT for each tax code.
2. You print the VAT return.

The system fills out the fields in the VAT return using the totals that you calculated in the first step.

3. For information about preparing VAT returns for VAT withheld from vendors.
4. You file the VAT return with the tax office and remit the taxes.

## Compuoffice online software -

Tax Solution for professionals to provide end-end management of every stage of the tax life cycle - from provision to estimates and extensions. returns, audit, amendment and planning.

## **A solution for**

- ☐ Income Tax Return
- ☐ TDS return
- ☐ Service tax return
- ☐ Balance sheet & audit report
- ☐ VAT returns (Raj./UP/MP)
- ☐ Checking of assessment orders
- ☐ ROC form and filling
- ☐ CMA
- ☐ AIR return
- ☐ Document Management
- ☐ Challan
- ☐ All other required forms
- ☐ Standard letters to clients
- ☐ Standard formats of departmental letters
- ☐ Office assistance works & mechanism.
- ☐ Various types of reporting.

## **Features: -**

- ☐ Common client information for all software
- ☐ Searching of records by Code No., Name PAN, etc.
- ☐ Online auto-update of software
- ☐ Defining user rights with grouping facility.
- ☐ Password protection for individual clients
- ☐ Active/De-active of individual party from particular/all software
- ☐ Single window/screen to input, edit, view and print.
- ☐ Front-view buttons for easy understanding.
- ☐ User friendly similar layout of all software.
- ☐ LAN compatible
- ☐ Various data input validation checks to eliminate errors.
- ☐ Easy auto backup of your precious data.
- ☐ Option to access from any where in the world.
- ☐ Single switch board for all software

## 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:

Journal No. 1		1-Apr-2008 Tuesday	
Particulars	Debit	Credit	
By Debtor A		1,000.00	
Cur Bal 1,000.00 Dr			
New Bal 1	1,000.00	By	
To Interest Receivable		1,000.00	
Cur Bal 1,000.00 Cr			
Narration:		1,000.00	
Interest receivable from Debtor 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.

### 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	? <b>Yes</b>		
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:

Journal No. 1		List of Ledger Accounts
Particulars		Advertising
		Cash - Location A
		Cash - Location B
		Computer
		Conveyance
		Counter Charges
		Customer A
		Debtor A
		Debtor B
		Debtor C
		Interest Receivable
		Labour Charges
		LMN & Company
		<b>Local Bank</b>
		Local Duty
		Local Purchase
		Local Sales
		Postage
		POB Debtors
		Professional Income
		Professional Services
		Profit & Loss A/c
		Purchase
		Sales
		Staff Welfare
		Stationery
		Supplier A
		XYZ Counters
Narration:		

## 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:

Debit Note No. 1 5-Apr-2008 Saturday

Ref.

Party's A/c Name : Supplier A

Current Balance :

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

50 nos

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 :AccountingFeatures - 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:

<b>Credit Note</b> No. 1		10-Apr-2000 Thursday	
Ret: _____			
Party's Ac Name: Customer A			
Current Balance: 9,100.00 Dr			
<b>Balance of Item</b>	<b>Quantity</b>	<b>Rate per</b>	<b>Amount</b>
Item A	25 nos	25.00 nos	625.00
End of List			
Narration: Goods sold to Customer A returned.		25 nos	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.

## Experience and Response

In my Internship I got Experience about the basic function of auditing is to ascertain the authenticity of books of accounts prepared by the accountant. It is a well-known saying that “where the function of Accountant ends, the audit begins to determine the true and fair picture of such accounts.”

In India, the Companies Act, 2013 has made the audit of company accounts mandatory. With a sharp increase in the size of the companies and the volume of transactions day in and day out, the objective of auditing has changed. Now, auditing relies on fair representation of the financial efforts. The Companies Act, 2013 also prescribes for a qualification of the auditor. W.E.F from April 1, 2014, due to the amendment in the Companies Act, 2013 detailed provisions on cost audit, internal audit and secretarial audit can be found in the Act.

The goal of an audit is to form and express an opinion on financial statements. The audit is performed to get reasonable assurance on whether the financial statements are free of material misstatement. An audit also includes assessing the accounting principles used and the significant estimates made by the management. Audit conclusions and reporting are one of the principles governing an audit. Reporting is the last procedure of the process of an audit.

One of the most important things can gain from an internship is newfound knowledge. This can include knowing how to fulfill tasks that are relevant to your desired career path and sharpening the skills that you already possess.

Many students think an internship mainly consists of making coffee and running errands for superiors all day, but that is not true. And really, it shouldn't be like that. An internship is an opportunity to test out all the skills that developed in varsity/college and see how they work in the real world.

Working in a professional setting for the first time can be difficult to get used to. But it is the best way to learn how to navigate the working world through real life, hands on experience.

One of the most valuable skills will gain from an internship is the ability to speak with people in a professional setting. Discussion with bosses or co-workers are different from discussions with lecturers or fellow students

Communication is the key to success in a professional environment. I learned that it's important to communicate with my manager via phone, email or SMS if I have questions or if I don't know how to work on a task. Asking for help and clarification is better than pretending you've understood what you need to do, no matter what. However, I also found that if you can Google something, then do. Avoiding asking questions if you can find answers elsewhere is part of being a good communicator – keep in mind that everyone's time is valuable. As an intern, good communication will help with productivity, efficiency, engagement and growth.

During my internship, I learned how to communicate and build relationships with the people I worked with. I learned how to introduce myself, talk about my interests, knowledge and skills with entrepreneurs and business owners, as well as how to ask questions and gain a better understanding of businesses not only in the co-working space, but also others in the market. This process overall helped me develop my professional network and emphasized the importance of creating these connections. I also connected with most of them via LinkedIn, which is obviously a great networking platform for professionals.

After the internship, we should have a better idea of the appropriate way to behave as a professional. This will help a lot when you start interviewing for jobs because we will be more confident and will sound more mature and experienced in a business setting.

Should not underestimate yourself; make sure we make the most of our internship and take advantage of all the opportunities that come with it.

Also, unglue yourself from your desk every once in a while and get to know other interns. Not only will you end up creating great memories and making friends, but you will widen your professional network.

Always work hard even if your task is small and seems unimportant. It will help you build a good work ethic, and people will notice the effort you put in.

It's not nice being told what to do all the time, but your superiors (mostly) know better. Following the rules and instructions they give you makes it easier for everyone.

Often, we think being spoon-fed is the way to learn, but working independently has proved to be very important. Your internship will teach you to make my own decisions and do things on your own. Being able to work independently with little guidance is very important in the working world.

Outsourcing is gaining popularity as a way to reduce financial and operational risks by making them easier to manage. Keeping this in mind, the firm provides accounting services to various organizations. Business organizations can alleviate the burden of staying on top of frequent changes to tax codes and accounting regulations and provide increased levels of information transparency, visibility of controls and clarity of accountability by outsourcing of accounting system.

Company Establishment: The firm also extends its services towards establishment of organizations and corporation. The firm helps in registration in company registrar office as per the company act 2063, acquiring of certificate of commencement of business, etc.

**Tax Management:** The firm also helps in tax management for organizations. Organizations can acquire services like calculation of income tax, management of Value Added Tax (VAT), Tax Deducted at Source, timely filing and payment of tax to Inland Revenue Department, etc.

#### **Consultancy and Training**

The firm also offers advising and counselling services on matters relating to accounting system, tax procedures, company establishment, and numerous other financial matters. The firm provides consultancy services in areas of Country

Strategic Papers, Restructuring policies and Internal Control System Development, Mergers/Demergers, Financial Controller/ Due Diligence Review/Special Review of various Infrastructure projects on behalf of commercial banks; Forensic Audits, etc

#### **Audit team member responsibilities**

An audit intern is responsible for assisting the finance department in processing financial reports, analysing account statements, releasing invoices, and conducting tax audits.

Audit interns shadow tenured staff on the operation procedures to familiarize themselves with work processes. They are also tasked to do administrative and clerical duties under the supervision of a direct supervisor, such as writing reports, ensuring the accuracy of financial statements, responding to clients' inquiries and concerns, and escalating high-level complaints to the supervisor for immediate resolution. Manage multiple SharePoint sites (websites used for internal communication and document sharing). Manage client engagements in EBS business unit which support audits and IPO advisory services to middle market clients.

Work with audit teams to plan engagements, address risks, and issue opinion on GAAP and statutory financial statements.

Audit municipal and non-for-profit organizations; prepare payroll tax returns for commercial clients; perform bookkeeping responsibilities.

Conduct FDA submission projects including projects.

Assist the senior manager to make PowerPoint presentation.

Promote current HIPAA compliance beyond the minimum legally mandate.

Comply with HIPAA regulations when sending in all audits.

#### **Audit Committee member responsibility**

Responsibilities of the audit committee typically include :Overseeing the financial reporting and disclosure process. Monitoring choice of accounting policies and principles .Overseeing hiring, performance and independence of the external auditor s. Oversight of regulatory compliance, ethics, and whistleblower hotlines.

## CONCLUSION

After this internship I would like to express my gratitude to Krishnakanth & Co., As the study helped in understanding the organizational structure and also the practical working. It also helped in understanding the departmental contributions and which department is responsible of the particular job. The study helped in understanding the business process and the planning of the company operations and how the managers use the information to decision about the operation of the company.

The study was successful in understanding the extent of technology and the organizational for various functions and activities. It satisfies the customers those who always look for the best. The study helped in improving practical knowledge and gained confidences and awareness.

This study helped gain valuable insights in understanding how business impacts various facts and finally affects the profit ability of a business enterprise.

Here each and every department is aiming to achieve the primary goal of

Organization. Every person who works in this company contributes his share to

his maximum. The company takes care of its workers and employees by

providing them with welfare measures and health facilities rather than just

making profit.