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## ***V. A. Dudhedia & Co.*** ***Chartered Accountants***

### **INDEPENDENT AUDITORS' REPORT**

To,  
The Director,  
Anekant Education Society's  
Anekant Institute of Management Studies,  
Baramati

#### **Report on the Financial Statements:**

#### **1. Opinion:**

We have audited the attached financial statements of Institute of Management Studies, which comprise the Balance Sheet as at **March 31, 2022**, Income and Expenditure & Receipt and Payment A/c for the year then ended, which we have signed under reference to this report and the annexure to this report attached herewith.

We conducted our audit in accordance with the Auditing Standards issued by the Institute of Chartered Accountants of India. An audit also includes assessing the accounting principles used and significant estimates made by the Management as well as evaluating overall Financial Statements presentation. An audit includes examination on test basis of evidence relevant to the amounts and disclosure in the Financial Statements. We submit herewith our report subject to the notes there on as under:-

- a) We have obtained all the information and the explanation, which is to the best of our knowledge and belief were necessary for the purpose of audit.
- b) In our opinion proper books of account as required are maintained by the institute so far as appears from our examination of those books.
- c) The Institute follows accrual system of accounting. But in some cases mixed system of accounting is followed. The impact of such transactions on Income and Expenditure and Balance sheet can not be quantified by us due to non-availability of information in this regard.



- d) The Balance Sheet, Income and Expenditure Account and Receipt & Payment Account dealt with by this report are in agreement with the books of account.
- e) The accounting policies of the Institute are not in compliance with accounting standards which is specified by "Institute of Chartered Accountants of India".
- f) In our opinion and to the best of our information and according to the explanation given to us the accounts give the information in the manner so required and give a true and fair view-
  - A) In the case of Balance Sheet of the state of affairs of the college as at 31st March, 2022.
  - B) In the case of Income And Expenditure Account, the deficit for the year ended on 31st March, 2022.

**2. Management's Responsibility for the Financial Statements:**

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Society in accordance with the Accounting Standards as issued by the Accounting Standards Board, Institute of Chartered Accountants of India; Bombay Public Trust Act, 1950; Societies Registration Act, 1860; Income Tax Act, 1961 and circulars issued by Government of Maharashtra – Education Department in this regard. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**3. Auditor's Responsibility:**

- a) Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- b) An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Society's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

- c) We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

For, M/s. V.A. Dudhedia & Co.  
Chartered Accountants  
Firm Registration No. 112450W



V.A. Dudhedia  
(Partner)  
Membership No.: 013989  
Place: Pune  
Date:



## **ANNEXURE TO AUDIT REPORT**

### **1. Mercantile System of Accounting:**

The institution is neither following mercantile system nor Cash system of accounting, it is following hybrid of system accounting wherein certain aspects of accounting were done on Cash Basis and certain on mercantile basis.

### **2. Fees Receivable as on March 31, 2022:**

- No proper list of students is available with management.
- As per Information received, following are the details of Fees Receivable as on March 31, 2022:

#### **➤ Fees receivable from Government:**

Sr. No.	As On	Amount Receivable
1	31 March 2022	1,79,38,096.00 /-
2	31 March 2021	₹ 1,58,33,338.50 /-

#### **➤ Fees Receivable from Students:**

Sr. No.	As On	Amount Receivable
1	31 March 2022	₹ 56,13,462.20 /-
2	31 March 2021	₹ 62,49,725.23 /-

Follow-up should be taken for recovery of such outstanding dues at the earliest.

### **3. Statutory Dues:-**

#### **• Tax Deducted at Source (TDS):**

As per the provision of income tax act, 1961 tax deducted at source (TDS) is required to be deducted at the time of payment or credit in the books whichever are earlier on specified transactions. During the course of audit we have observed that TDS has been deducted at the time of payment and not as per the above mentioned provision. The same has been suggested to accountant that TDS is needed to be deducted at the time of payment or at the time of booking of expenses.

The TDS is not deducted on amount of ₹ 74940.50/- (internet lease line), which is recorded as Computer repairs and maintenance in books.

#### **• Professional Tax Payment:**

Professional tax is a deduction that is deducted from your gross salary along with TDS, EPF and any other deduction. However, this tax doesn't mean that it is levied only if you are in professional practice such as a doctor, lawyer etc. If you earn a salary, you are eligible to pay this tax.

During the course of audit it was observed that, there were some employees whose PT has not deducted by management even though they were eligible for deduction of PT from their salary. Following is details of such employees whose PT was not deducted and paid with its respective month:

Sr.No.	Name of Employee	Month	Amount
1	Mr. Sachin N. Khomane	January	175
2	Mr. Suresh R. Bhosale	February	300
3	Mr. Sachin N. Khomane	February	300

• **Provident Fund:**

All employees drawing a salary are eligible for EPF. Moreover, it is compulsory for all employees earning less than 15,000 to register for the EPF. However, employees earning more than ₹ 15,000 can also voluntarily stay in the EPF scheme.

During the course of audit some sample were taken to verify the Provident Fund Amount. It was found that some Employees' PF has not deducted for the respective month. The example of such abovementioned employees:

Sr.No.	Name of Employee	Month	Amount
1	Mr. Suresh R. Bhosale	December	840
2	Mr. Sachin B. Jamdade	December	28
3	Mr. Sachin N. Khomane	December	28
4	Mr. Suresh R. Bhosale	January	544
5	Mr. Suresh R. Bhosale	February	960

**4. Daily Wage Payments:-**

Various workers are working in the college for providing Gardening and Sweeping Services. They are not on payroll of college. They are paid for their services on monthly basis. Any document supporting the compliance of Minimum Wages Act was not available for verification such wage sheet or remuneration etc.

**5. Accounting Records:-**

The vouchers in voucher files have not been numbered according to the entries in the accounting software. Book-keeping should be consistent with its accounting in order to avoid clerical errors and give a proper trail for corroborative evidence for the transactions entered in books of accounts.

**6. Changes made during the audit:-**

Following are some of the changes which were made during the process of audit. Such points should be updated/cleared immediately after the end of Financial Year.

**a. Prepaid expenses:**

Expenses made in advance for the next Financial year was recorded earlier in the current financial year considering them as the expenses of F.Y.2021-22. Such prepaid expenses are bifurcated and recorded under the head prepaid expenses. It is advisable to follow mercantile system of accounting and make such bifurcation at the time of booking of expenses itself.

**b. Depreciation related to Grant Asset:**

During the audit it was observed that depreciation on grant asset was recorded as expenses however respective income (i.e. depreciation related to grant asset) was not recorded. Depreciation related to grant asset should be recorded as other income and respective grant should be reduced in every financial year. Entries were rectified in books of account during the audit. As above mentioned proper accounting treatment should be given in every financials year.

**7. Invoice related :-**

Proforma invoice :- Management has attached the Proforma invoices in support of some expenses. Performa invoices and Invoices are two different . While an invoice is a commercial instrument that states the total amount due for sale of product/ service, the Proforma invoice is a declaration by the seller to provide products and services on a specified date and time. There is expense of ₹ 1,71,00/- ,recorded as National/International Conference expense , for which the proper invoice has not found; but only Proforma invoice has found.

**8. Library :-**

- a) It is observed that the software that keeps record of books in/out and issuance of books to the students and the staff is not working and management has not made an effort to make it work properly. The library management takes the late of ₹ 2 per day after 10 days after issue of book. Due to non-working of such software the late fees receivable from student (which technically is income of college) is not recorded in books of accounts; which at last will conclude that the income is not disclosed in Financial Statement. Following are some samples collected which shows the late fees actually till date i.e. 11/06/2022:-

Sr. No.	Student Name	Books Issued :-		Excess days over 10 days	Total late fees
		From	To		
1	Amit Jadhav	01-03-2021	11-06-2022	457	914
2	Amit Jadhav	12-03-2021	11-06-2022	445	890
3	Ganesh Khandale	13-10-2021	11-06-2022	230	460
	<b>Total :-</b>				<b>2264</b>



- b) There is one student for whom management believes that he lost the book which librarian has issued to him. Library has a policy to take the amount equals to double if the print of book is done 5 years ago or amount equals to triple if the print of book is done 10 years ago as a penalty. The student took book which has value of ₹ 350/- , which has its print done in 2009; so according to management's policy the penalty amounts to ₹ 1050/- (350\*3). This leads to revenue leakage of the college.
- c) For in/out timing, the student use student card; but it is observed that some students use other student's card also.

**9. Payroll:-**

The Pay sheet does not have revenue stamps attached on payment details of some employees. The college does not have biometric system installed for the calculation of present and absent days of employees for the sake of calculation of salary.

We are thankful for the co-operation received from the administrative staff during our audit.

**For, M/s. V.A. Dudhedia & Co.**  
**Chartered Accountants**  
**Firm Registration No. 112450W**

  
**V.A. Dudhedia**  
**(Partner)**  
**Membership No.: 013989**  
**Place: Pune**  
**Date:**

