

H-213, 2nd Floor, Tower No.4,
Vashi Railway Station Complex,
Vashi, Navi Mumbai-400703
+91 22 4003 3829

1249/1250, Good Luck Chowk,
Above Lifestyle, Deccan,
Pune - 411004

telephone: +91(20) 25531717,
facsimile: +91(20) 25531718,
mails: dudhediaco@yahoo.com

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

INDEPENDENT AUDITORS' REPORT

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

1. Report on the Financial Statements:

We have audited the attached Financial Statements of Anekant Institute of Management Studies, Baramati which comprises the Balance Sheet as at March 31, 2019 and Income and Expenditure Account for the year then ended, which we have signed under reference to this report and the annexure to this report attached herewith.

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 Trust 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; 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:

3.1 Our responsibility is to express an opinion on these financial statements based on our audit. We have 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.

3.2 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.

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

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements read with the significant accounting policies followed by the College give a true and fair view in conformity with the accounting principles generally accepted in India subject to Annexure attached herewith.

- i) In the case of Balance Sheet of the state of affairs of the College as on 31st March, 2019 and
- ii) In the case of Income & Expenditure A/c, of the deficit of the College for the year ended on that date.

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:**OBSERVATIONS RELATED TO STATUTORY AUDIT OF FY 2018-19 FOR ANEKANT INSTITUTE OF MANAGEMENT STUDIES, BARAMATI****1. Fees Receivable as on March 31, 2019:**

As per Information received, following are the details of Fees Receivable as on March 31, 2019:

➤ Fees receivable from Government:

Sr. No.	Year	Amount Receivable
1	2018-19	50,75,738.00
2	Prior Years	7,42,798.00
	Total	58,18,336.75

➤ Fees Receivable from Students:

Sr. No.	Year	Amount Receivable
1	2018-19	15,46,406.50
2	Prior Years	11,59,807.00
	Total	27,06,213.50

*Figures for the 2018-19 has been provided by management

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

2. Tax Deducted at Source:

Sr.No	Party Name	Head	Voucher No	Amount	Remarks
1	Continual Management Services	Advance to continual management services	P-252	30,000	TDS not deducted on advance payment but same is deducted later while recording expenses under section 194C instead of 194J, this leads to short deduction of tax.
2	Continual Management Services	Advance to continual management services	P-348	30,000	
3	Arcon Associates	Furniture and Fixture	P-552	58,403	TDS not deducted on supervision charges under section 194C.

TDS to be deducted at the time of payment or credit whichever is earlier. When the TDS is made on advance payments that can be adjusted while booking the bill against that advance payment whether in the same financial or in the next financial year.

3. Pending case in court :

During audit it was observed that FIR was filed by college against Welcome Tours & Travels for leaving the industrial visit tour in halfway. It is advised to management that proper follow up should be taken for recovery of money.

4. Payroll :

As the organization is a service providing institute, majorly the expenditure comprises of salaries to the staff i.e. approximately 52 % of the total expenditure, of the institute is expensed towards salary expenditure. Following deficiencies were observed regarding the salary expenses.

- a. The institute had taken the initiative to keep the records of salary in biometrics device, but management did not reconcile the biometric reports with at the time of processing of salary.
- b. Service book of employees has not been updated properly. Leave of employees has not been putted in service book.
- c. It was observed that for some daily wages employees accountant is not deducting EPF employee share as per provisions the Employees Provident Funds and Miscellaneous Provisions Act, 1952, it is advised that Employee share of EPF should be deducted at rate 12%.

5. Daily Wage Payments :

- a. 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 like appointment process or remuneration etc.

b. Employee Provident Fund Contribution of Daily Wages Payment :

As per definition of an employee u/s- 2(f) of the Employees Provident Funds and Miscellaneous Provisions Act, 1952 means any person who is employed for wages in any kind of work, manual or otherwise, in or in connection with the work of an establishment, the provident fund authorities always insist upon the principal employers to ensure that the contractors as engaged must pay the provident fund contributions and in case of non-payment, the principal employers are held liable.

During the courses of audit it was observed that our establishment receives services from contractor's i.e. Balaji Security Service & Sairaj Services. It is suggested that management should periodically review whether principal employer has paid provident fund of the employee.

6. Physical Verification of Assets:

As per information received, the management is not conducting the physical verification of the assets during the financial year. It is advised that the verification should be done immediately at the year end and the report of physical verification conducted by the management should be ready for verification at the time of audit.

7. Fixed Assets :

- a. Fixed Asset Register is *not updated with the depreciation entries. It does not contain the details of location of the asset, deletion of asset if any etc.*

Details of depreciation should be shown in the register for proper presentation so as to show the actual depreciated value in the register. Asset balance as on the year end shown in register should match with the balance shown in books of accounts. The Fixed Asset Register should also mention the details about location of the asset, deletion and scrap of asset etc. The Fixed Asset Register should be maintained asset wise so as to match the balances asset wise as shown in books.

- b. Numbering on asset purchased :

It was observed during the audit that numbering on the assets purchased during the year was not updated. It is advised to the college to update the numbering on the assets on timely basis so as to keep track of assets purchased with the fixed asset register maintained.

8. Interest accrued:

Interest accrued on fixed deposit should be recorded on timely basis and especially at the year end. Interest accrued, for the year ended March 2019, was recorded during the audit process. Such entries should be updated on timely basis as soon as the interest gets accrued

9. 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.2018-19. 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 Entries:

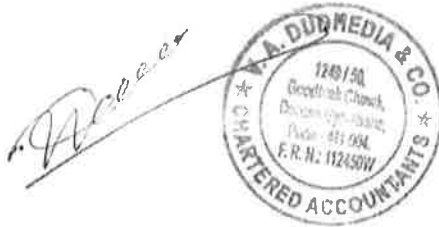
Depreciation calculation is made and entries were updated in books. Such entries should be updated immediately after the end of Financial Year.

c. MSEB Deposit :

Deposit with MSEB has been updated as per bill for the month of March 2019.

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 :

Copy to:

1) The Chairman, Anekant Education Society.