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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, 2021**, 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 –

1. 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.
2. In our opinion proper books of account as required are maintained by the institute so far as appears from our examination of those books.
3. 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.
4. The Balance Sheet, Income and Expenditure Account and Receipt & Payment Account dealt with by this report are in agreement with the books of account.

5. *The accounting policies of the Institute are not in compliance with accounting standards which is specified by "Institute of Chartered Accountants of India"*
6. 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, 2021.
 - B] In the case of Income And Expenditure Account, the deficit for the year ended on 31st March, 2021.

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**

- 3.1 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.
- 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.

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. Fees Receivable as on March 31, 2021:

As per Information received, following are the details of Fees Receivable as on March 31, 2020:

➤ Fees receivable from Government:

Sr. No.	As On	Amount Receivable
1	31 March 2021	133,00,773.50
2	31 March 2020	60,37,733.75

➤ Fees Receivable from Students:

Sr. No.	As On	Amount Receivable
1	31 March 2021	87,05,593.23
2	31 March 2020	34,74,062.70

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

2. Statutory Dues:

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 is 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 need to be deducted at the time of payment or at the time of booking of expenses.

During the course of audit it was observed that TDS was not deducted on Audit Fees of Rs.30,680 which was then rectified.

3. 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.

4. 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 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. It is suggested that management should periodically review whether principal employer has paid provident fund of the employee. Also at the time of payment to contractor, challan of PT/ PF should be collected and kept in management records.

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. Calculation is made and entries were updated in books during the audit. As above mentioned proper accounting treatment should be given in every financials year.

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: 15/09/2021

