

# G.S.THORAT & CO

Chartered Accountants

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To,  
**THE PRESIDENT/SECRETARY,  
SHRI SHIVAJI SHIKSHAN PRASARAK MANDAL  
A/P: BARSHI, TAL: BARSHI  
DIST: SOLAPUR**

**Sub: - Special remarks for the year ended 31<sup>st</sup>  
March 2023**

Dear Sir,

We have completed the Audit of the books of accounts of the All Mandal, Head Office, High Schools, Junior College and all other branches for the year ended 31st March 2023.

We have pleasure submitting Income & Expenditure and Balance Sheet as at 31<sup>st</sup> March 2023 along with our observations, which are as under.

Following are our observations and special remarks: -

The Books of accounts of SHRI SHIVAJI SHIKSHAN PRASARAK MANDAL are maintained on cash basis except Hospital & Medical Store.

## **A) INCOME**

1. During the year the Mandal has received Income of Rs. 3,37,603.00 by way of Building rent as compared to Rs. 2,92,655.00 in Previous Year.
2. The Mandal Has received Bank Interest of Rs 1,42,66,414.42 as Compared to Rs. 1,64,83,293.35 in previous year.
3. The Total Grants received by the Mandal during the year is Rs. 80,69,45,426.06 as compared to Rs 72,91,62,112.05 in previous year. The Total grant includes Salary grants, Non-Salary Grants, UGC Grants, Incentives Grants and University Exam Grants, MCC Grants etc.
4. Total Donation Received by the Association During the year is Rs 19254477.00.



5. Similarly the association has received Rs. 33,88,42,454.11 by way of other receipt, it includes income by way of fees, tuition fees, admission fees, other fee, exam fees, University fees and income by way of other receipts etc. of all branches and units. As Compared to Rs 36,18,22,895.64 in the previous year.

6. Dividend has received of Rs. 1,07,500 during the year as compared to Rs. 2,27,600 previous year.

### **B) Expenditure: -**

The following are the total expenses incurred by association during the year.

1. The amount of Rs 4,72,95,485.67 is provided by way of depreciation on all movable & immovable property.
2. The expenses on the object of the trust Rs 1,09,63,45,409.76 which are as follows as per attached Scheduled.

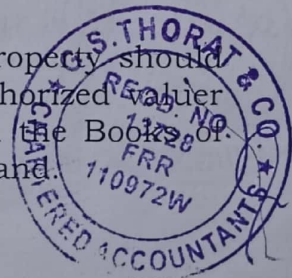
(Deficit)/Surplus: During the year there is a surplus of Rs. 2,92,13,660.16 as compared to Rs. 6,32,10,181.98 surplus in previous year.

### **C) Balance Sheet :-**

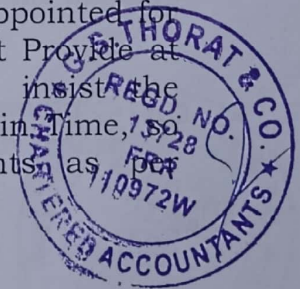
3. List of such debit and credit balances should be find out and proper entry/ entries to the effect should be passed and confirmation should be kept on record for verification & ask to the concerned person & send directly to our office.
4. Addition to Movable Asset is Rs 10,93,23,033.50 and Immovable Asset is Rs 12,72,95,204.00. Deduction in Fixed Asset of Movable Asset is Rs. 1,648.00 and Fixed Asset of Immovable Asset is Rs. 13,12,42,459.00.

### **GENERAL REMARKS :-**

5. All receivable should be recovered immediately with interest. All payment should be made immediately.
6. Establishment Expenditure, Remuneration, Miscellaneous Expenses included in Object of trust.
7. In Case if the Mandal received the donation of Immovable Properties like Land etc. by various persons /Grampanchats. In such cases following procedure should be followed.
  - a) Gift deed of the said property is to be executed between donor and done.
  - b) Valuation report in respect of the donated property should be kept on record from the Government Authorized valuer and the entries of the same to be passed in the Books of Accounts, after getting the registration of the land.



- c) After executing the gift deed, the procedure in respect of the title of the property should be registered with sub registrar and should be intimated to the charity commissioner, for this purpose consultation may be obtained from any legal advocate
8. Donation received by the society and its branches, which is not for any specific purpose, these donations are credited to the income and Expenditure account.
9. TDS & GST Return Filing -  
The Mandal should file the returns for TDS, in from No, 24Q, 26Q in case of TDS deducted from the salaries, Contractors and Professionals respectively. The dates of filling of TDS Return are 15th July, 15th oct, 15th Jan, 15th May of the respective year. TDS should be deducted on advance payment immediately.
10. After filing of TDS Retunes, please collect the all forms - 26Q, 24Q, 27A and other supporting working from the consultants and same must be kept on record for verification.
11. Chhatrapati Mudranalay-
- a) Stock register should be maintained and must be updated same from time to time.
- b) Material purchases from various suppliers (Creditors) must reconcile with the creditors balance confirmations in their books.
- c) Balances of debtors should be confirmed and record appropriately.
12. In respect of the fixed assets to be written off, procedure should be followed as per Public Charitable Trust Act.
13. List of Confirmation of all Debit and Credit balances should be prepared & kept for verification.
14. Bank Reconciliation Accounts should be prepared on monthly basis of all units. In many cases it is found that Bank Reconciliation is not prepared on regular basis. The same should be prepared & kept for our verification.
15. Internal Audit & Internal Audit Report - As per information given to us by the Mandal, Internal Auditor was appointed for FY 2022-23 but the internal Audit Report was not Provide at the time of audit for verification. Trust should insist the Internal Auditor to give the Internal Audit Report in Time, 15/07/28 that all units will able to rectify the accounts as per requirements.



16. Advance given to staff & others; Debit & Credit balance are subject to confirmation.
17. In Jagdale Mama Hospital and Medical Store –
- Out of total FD, most of the fixed deposits are in Shivshakti Bank (Co-op Bank) which is not a Scheduled Bank. Same should be kept in Nationalized or Scheduled Banks only.
  - In case of stock of medicines & consumables A B C Analysis needs to be carried out so that need based purchasing can be made.
  - Physical stock of the hospital store should be taken on regular basis.
  - Materials from the hospital store should be issued on indent only after approval of the appropriate person.
  - Stock in Medical Store must take twice in a week and also try to take as many times as possible.
  - For expired medicines, the return back process of medicines must be followed within time and per terms and conditions decided with the suppliers.
18. Non operative Bank Accounts should be closed & Balances in these accounts should be transferred to other operative bank accounts.
19. Revenue stamps require on payment above Rs. 5000.
20. Head office Cash Book should be signed by Treasurer/Joint Secretary on regular basis.
21. Cash payment in excess of Rs-10000 is disallowed U/s 40A (3) of I.T. Act. 1961.
22. Depreciation Rates should be taken as per Income Tax Act, 1961.
23. Three Quotations require for purchases above Rs.5000. Rates are to be sanctioned in The Board of Trustee Meeting.
24. Professional Tax Return of Mandal must be file within the due dates prescribed in the Act.
25. The account of total receipt printed, used and balances in hand needs to be prepared and same shall be kept on record for verification.
26. Confirmation of all Debit & Credit Balances should be kept on record.



27. Separate Bank Account for scholarship purpose should be maintained.
28. Excess money should not be kept in bank account, it should be invested in specified modes as prescribed in the Act.
29. Immovable & Movable property Register should be maintained separately and properly for units.
30. Try to give proper training to all accountants of the all units of Mandal to improve the accuracy of books of accounts of all units on Mandal. Also try to maintain all books of accounts in computerized systems.
31. Maintain uniformity in accounting policies of all the units of the trust.
32. The Trust is Registered under SGST Act 2017 /CGST Act 2017 having GST Registration number 27AADTS9647N1ZK has been liable for filing GST return & GST Audit. Trust already appointed consultant and Auditor for GST return filing & conducting Audit. We come to notice that GST consultant only considered medical store income for filing of GST return & GST Audit that's means he is not considering other taxable income for filing of GST return & GST Audit. for example, trust rent income is taxable under GST but GST consultant not considered for Filing of GST Return & also GST liability on that rent income is not paid form July 2017 to March 2023

Other income of Trust is Exempted by notification as GST Act 2017 and rules, regulation but this income also required to be reported in GST Annual return (GSTR9) and also get to reconciled with Audited books of Accounts of the trust for filing GSTR9C (GST Audit).with the telephonic conversation with GST consultant it is come to notice that reconciliation for GST Audit is not done properly with audited books accounts of trust instead of reconciliation done with only medical division books of accounts it is completely wrong to reconciled with divisional books of accounts of medical store when registration of GST is taken on trust name

In last six years GST on rent income is not paid and also not reported to GST départment hence penalty for submission of false information while registering under CGST ACT 2017 is 100% of tax Liability and Interest is required to be Paid 18% on that outstanding Amount

We suggest management of trust to considered this point as important and comply as soon as possible otherwise GST department issue summons against president & trustee of Shri Shivaji Shikshan Prasarak Mandal.



33. At the time of audit, we have given all the queries which are compiled by the concerned branch and head office. ↗

**34. Contribution Payable to Charity Commissioner @ 2% but not paid due to Judicial Intervention :**

According to section 58 of the Bombay Public Trusts Act, "Every public trust shall pay to the Public Trusts Administration Fund annually such contribution at a rate or rates not exceeding 5% of the gross annual income, or of the gross annual collection or receipt, as the case may be, as may be notified, from time to time, by the State Government". Gross annual income does not include corpus donations or deductions allowed by Rule 32 of the Bombay Public Trusts Rules, 1951.

Public trusts exclusively for secular education, medical relief, veterinary treatment of animals, and relief of distress caused by natural calamity are exempted from payment of contribution. In the case of multi-purpose trusts, deductions are allowed for the portion of the gross income or collection or receipt spent for any one or more of the aforesaid purposes.

Various deductions are also permitted as mentioned in rule 32 out of the gross income of the trust.

The rate of contribution since April 1, 1989 has been 2% of the income chargeable to contribution calculated as per rule 32.

Presently in response to a P.I.L. filed against the Charity Commissioner the Mumbai High court has stayed the collection of the contribution since 2009. In response to the said interim order the office of the C.C. is accepting the accounts without payment of contribution subject to the final decision of the High Court or any amendment or any instruction or notification of the Govt.

According to the affidavit filed by the State Govt. and CC before Hon. High Court in the PIL, an amount of Rs.248 crores is lying with the CC in the fund. On questions asked by Hon. High Court about the proposed expense from the said fund, the State Govt. and CC could not file any explanation apart from repeated opportunities given.

After passing strictures on the administration of State Govt. and offices of CC, Hon. High Court has passed an interim order on 25-9-2009, restraining CC from collecting any fee hence forth in the State until further orders in the matter.

Until last hearing on 17-10-2018, no explanation from either the State Govt. or CC is filed before the Hon. High Court and the interim orders passed on 25-9-2009 continue to-date.

Hence, whatever the CC offices or the officers in those offices are conveying to anybody, the fact is, the Contribution cannot be collected by the CC in the State of Maharashtra till further orders.



the matter by Hon. High court.

**35. Contingent Liability:**

Trust has followed accounting Standard 29 accounting for Provision, Contingent Assets and Contingent Liabilities. Trust has made provision for all expenses and liabilities incurred till 31 March 2023. Contribution as per Schedule IXC of Bombay Public Trust Act 1951 Rule 32 is calculated by the trust is not provided in the books. As it is depending on the outcome of the case pending in Bombay High Court regarding cancellation of the same wherein Bombay High court has provided stay on collection of the same until judgement of honorable high court. Contingent liability as per Schedule IXC is Rs. 0 as on 31 March 2023.

We are very much thankful to the staff and management of all High-School, Senior and Junior Colleges, Hostel, and all other branches, Sub-branches for their Co-operation extended to us at the time of conducting the audit.

Place: Pune  
Date: 21/06/2023  
UDIN:



Yours faithfully  
For G.S. Thorat & Co.  
Chartered Accountants

G.S. Thorat  
F.C.A (M No.013728)

**UDIN NO - 23013728** B4UWL47391