

MAA CHARITABLE TRUST, INDORE

REVIEW REPORT

For the period from 1st April, 2019 to 31st March, 2020

Part(A): Details of the Review of Financial Statements:-

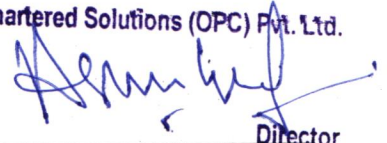
<u>A. Name & Address:</u> Maa Charitable Trust, 5, Yashwant Colony, Indore (M.P.)
<u>B. Division:</u> 1. Maa Charitable Trust 2. Chameli Devi Group of Institutions 3. Chameli Devi Institute of Professional Studies 4. Chameli Devi Institute of Pharmacy
<u>C. PAN:</u> AAATM8730H
<u>D. Period covered in the current report:</u> 01.04.2019 to 31.03.2020

Part(B): Executive Summary:-

a) Objectives of Review of Financial Statements:-

We have conducted the review of financial statements of Maa Charitable Trust, Indore for the period from April 01, 2019 to March 31, 2020. We have carried out the review of the financial statements in accordance general accounting principles and accounting standards. It is the responsibility of the management to maintain books of accounts by mercantile system of accounting, fair and proper documentation, generation of books and records, and the various interim financial reports and annual statements, and to implement a proper internal control system in line with the standard procedures and guidelines.

For: Satyasha Chartered Solutions (OPC) Pvt. Ltd.



Director

Address: "Sai Sharnam" 70, Jaora Compound Behind Pooja Diary Indore (M.P.)

Email: satyashasolutions@gmail.com Contact: 0731-2701279

b) Method of Review: -

The review was conducted on the basis of the review program. After distribution of the review work and responsibilities, the concerned staff performed their job and directly reported to Team Manager on daily basis. Review program was mainly focused on following areas:-

1. An assessment of the adequacy of the financial management systems including internal controls. The financial management system should include methods and records established to identify, assemble, analyze, classify, record and report on transactions and to maintain accountability for the related assets and liabilities.
2. An assessment of the whether the financial statement have been prepared in accordance with consistently applied Accounting Standard of the Institute of Chartered Accountants of India and gives a true and fair view of the operations of the Trust during the year and the financial position of the Trust at the close of the fiscal year.
3. That all funds have been used in accordance with the bye laws of the trust and after due approvals of the board of trustee where ever applicable and the same has been done with due attention to transparency, economy and efficiency and only for the purposes for which the trust was formed.
4. All necessary supporting documents, records and books/ statements of accounts have been maintained all necessary supporting documents such as records, vouchers, bids etc. and books of accounts have been kept in respect of all trust related expenditures, except the deficiency mentioned in our observations.

c) Observations/ Queries raised during review:-

1. That, during the course of review of financial statements it has been found that various expenses are booked in profit and loss without deducting TDS or wrongly deducting the TDS, some queries which are raised by us are produced before for kind reference as under:-

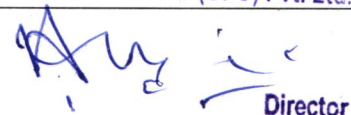
For: Satyasha Chartered Solutions (OPC) Pvt. Ltd.



Date: _____

Sr. No.	Date	Voucher No.	Amount (Rs.)	Queries/ Observations
1.	30.04.2019	15 (JV)	74,600	In Annual Day Expenses: Amount paid to NakhraliDhani Resort for food, packets, Lunch etc. Annual greetings is deemed contract and Hence, TDS should be deducted.
2.	01.02.2020	627	1,64,947	In Baja Expenses: Amount paid to Nakhrali Dhani Resort for food, packets, Lunch etc. Annual greetings is deemed contract and Hence, TDS should be deducted.
3.	06.05.2019	110	21,300	In consultancy fees: TDS was not deducted on consultancy fees paid Manish Patel(TDS paid on only Rs. 15,000/-)
4.	06.05.2019	112	20,000	In consultancy fees: TDS was not deducted on consultancy fees paid to "Rohit Pandya".
5.	14.10.2019	1010	48,750	In Event Expenses: Amount paid to Malwa Marathoners for Event management and no TDS deducted.
6.	10.01.2020	509	75,012	In Electricity Expense: Amount paid for purchase of gifts, decoration and other item to one person, but no TDS deducted and paid in cash which is not allowed.
7.	01.11.2019	342	3,00,000	In Professional Fees: TDS of 15000 was deducted on Training and placement Exp (Professional Fees)of Rs. 3,00,000. However, it should be 10% i.e. Rs. 30,000/-
8.	01.11.2019	301	1,77,000	In Professional Fees: TDS of 8850 was deducted on Training and placement Exp (Professional Fees)of Rs. 1,77,000. However, it should be 10% i.e. Rs. 17,700/-.
9.	20.11.2019	357	29,500	In Consultancy Fees: Consultancy fees paid to Ajay Kumari Rs. 29500 but TDS deducted 2230 only (As consultancy fees booked 22300 and remaining paid against CDIP Collage A/c).
10.	01.01.2020	358	43,300	In Consultancy Fees: Same as above and many more entries on which Full TDS is not deducted.

For: Chartered Solutions (OPC) Pvt. Ltd.


Director

11.	09.07.2020	129	48,000	In Repairs and Maintained: TDS deducted only 300 on payment of Repairs and maintenance of Rs. 48000.
12.	-	-	12,62,846	In Bus Petrol Expenses: Paid to International service center every month (Lump sum payment), it can be deemed contract, but no TDS deducted.
13.	30.04.2019	398 (JV)	66,452	Amount paid to Nakhrali Dhani Resort for food, packets, Lunch etc. Annual greetings is deemed contract and Hence, TDS should be deducted
14.	-	-	-	In seminar & conference account: As the TDS was not deducted on payment made to Kesar Travels and holidays.
15.	-	-	-	In NBA stationery and other expenses: Payment booked to nakhralidhani but no TDS deducted
16.	19.10.2019	252	-	In SD tours & travel: Payment made to SD travels and no TDS deducted.

❖ **Recommendations:-**

That it is recommended to the management that TDS on such expenses should be duly deducted and also with correct rate of TDS. The expenses should be supported with the proper documentary evidences and all expenditure should be properly recorded by the management. Therefore utmost care should be taken and such recording is a continuous process, which should be cautiously carried on in a consistent way.

❖ **Resolutions by the Trust:-**

That, pursuant to the recommendation provided during the course of the review it has been observed that the management has deducted TDS and is maintaining proper track of TDS deduction as well as deduction with correct rate of TDS. There are also some cases where management has given valid reasons for deducting such TDS and such contention of the management was considered.

2. That, it has been observed that some the expenses are booked under wrong accounts/heads, and/or transferred to different accounts/heads.

For. Satyasha Chartered Solutions (OPC) Pvt. Ltd.

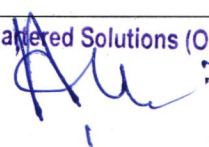


Director

which may result in financial statement not reflecting true picture. Also, some expenses are to be debited but got credited or vice - versa, some queries which are raised by us are produced before for kind reference as under:

Sr. No.	Date	Voucher No.	Amount (Rs.)	Queries/Observations
1.	31.03.2020	729	11,350	Event expenses is set off against science and Olympiad 2018-19
2.	11.05.2019	341	—	In Collage maintenance: Amount of collage expenses are transferred house maintenance exp A/c and then to repairs and maintenance A/c.
3.	11.05.2019	341	—	In Collage maintenance: Amount of collage expenses are transferred maintenance electricity deduction A/c which is set off against electricity expenses.
4.	31.03.2020	739	4,33,023	In Collage maintenance: Amount of collage expenses are transferred CDIP A/c.
5.	16.01.2020	555	—	In miscellaneous balance written off: Amount transferred to fee recoverable from student.
6.	31.03.2020	718	—	In Remuneration (Teaching staff): Amount is transferred from CDIP collage A/c.
7.	—	—	—	In Telephone Expenses: Telephone expenses of staff members(Personal nature) are booked in profit and loss A/c.
8.	05.09.2019	728	—	In Telephone Expenses: Payment of telephone bill of Shirkant Sir's home bill is booked in profit and loss A/c.
9.	—	—	—	In Salary to Teaching and Non teaching Staff: Bifurcation of salary and non salary to staff (Salary Sheet).
10.	—	—	—	Nakhrali Dhani A/c is debited with electricity expenses.
11.	—	—	—	In Staff welfare Expenses: Staff welfare expenses not paid for march month and expenses booked to nakharali dhani every month. Also no TDS deducted.
12.	—	—	24,000	In Repairs and Maintenance: House maintenance expenses of individual is charged in profit and loss A/c.
13.	08.05.2019	325	50,000	In Repairs and Maintenance: Purchase of frame for office booked in profit and loss A/c, Purchase of Sanitary items, Steel road etc (Being expenses of Capital Nature).

For: Satyasha Chartered Solutions (OPC) Pvt. Ltd.



Director

14.	22.04.2019	468, 568, 1068 & many more	6,000	In Fee receipt A/c: Fee receipt from Palkesh shown on credit side.
15.	03.11.2019	292	18,340	In Hostel Fees: Hostel fees refunded is shown in credit side which is set-off against hostel expenses (Hostel fees should be shown as income on credit side rather the negative on debit side).

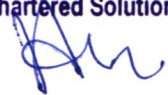
❖ **Recommendations:-**

That, it is recommended that the expenses and incomes pertaining to the particular accounts/heads should be booked in the particular accounts/heads only to give a true financial position of the trust. The transferring of such accounts of expenses and incomes in each other will not lead to reflecting of true and fair view of financial statements. Also, nature of expenses and incomes should be properly debited or credited to show true and fair view of financial statements. Therefore utmost care should be taken.

❖ **Resolutions by the Trust:-**

That, the recommendation was considered by the management and it was also explained by the management that there are some circumstances wherein the refunds are given, when there is some adjustment in such expenses for refunding the amounts to the students. There are some cases where management has given reasons for their treatment done in books of accounts. There are some adjustments which are of last year and made this year which is needed for correct treatment in further accounting and the same has been treated well by the management. In some cases, the transfer of some amounts from one account to another is from the wages of workers which is transferred to house maintenance and then to repairs and maintenance which is the policy of the management. Such contention of the management was considered.

For: Satyasha Chartered Solutions (OPC) Pvt. Ltd.



Director

3. That, it has been observed that in respect of some other remaining entries there are some more queries and observations, which may result in financial statement not reflecting true picture, few examples of the same are as under:

Sr. No.	Date	Voucher No.	Amount (Rs.)	Queries/Observations
1.	—	—	—	In Co-cubes Training: Amount refunded to Co-cubes Training booked as expenses, but no amount received from this training.
2.	—	—	—	In Efficycle A/c: Total receipts and payment of efficycle A/c should be shown separately.
3.	31.07.2019	150	10,006	In Baja Expenses: Amount paid for Baja expenses in cash.
4.	—	—	—	In Microsoft Ed-Vantage programme: Microsoft Ed Vantage programme A/c income is received and payment should be shown separately.
5.	—	—	—	In Solid workshop Fees A/c: No amount received from solid workshop but amount is refunded to them.
6.	18.10.2019	249	22,110	In College maintenance expense: Amount paid for Sports expenses in cash.
7.	08.11.2019	606	12,000	In miscellaneous balance written off: Amount of rebate is already refunded then why this expense booked again.
8.	31.03.2020	1481 & 1484	49,000	In miscellaneous balance written off (MBA): Amount refunded Rs 49000 adjust against miscellaneous expenses written off and no narration passes.
9.	—	—	—	In Remuneration (Non-Teaching staff): Salary to Non-Teaching staff is not paid for month of Feb, march.
10.	—	—	—	In Affiliation fees: What is an Affiliation fee and why it is booked prepaid.
11.	23.04.2019 & 22.07.2019	37 & 474	—	In Internet Expenses: Internet expenses are booked twice (Voucher No. 957 and 1472).
12.	21.01.2020	1520	51,000	In Donation: Receipt of Donation issued is not provided.

For: Satyasha Chartered Solutions (OPC) Pvt. Ltd.

Director

13.	–	–	50,000	In CDEF (Refund): What is chameli devi educational fund? Is it income?
14.	–	–	18,68,000	In Bus Fees rebate (RE): Why this bus fee rebate is given?
15.	–	–	–	In Growth Development Fund (BE), (MBA): Why this growth development fund is created?

❖ **Recommendations:**

That it is recommended to the management that writing narrations is important for better understanding of the financial statements. The management is recommended to explain about some funds which are created and the purpose behind creation of the same. Similarly, the bus fee rebate also requires clarification. Different salary sheets for teaching and non-teaching staffs are required to be maintained by the management. Therefore, the accounting treatment should be as per general accounting principles and utmost care should be taken.

❖ **Resolutions by the Trust:**

That, the recommendation is appreciated by the management and explanation for recommendations has been provided very well by the management which are considered. The narration has been passed and different salary sheets are maintained properly by the concerned staff of the management. The funds which needed explanation for their creation are well explained by the management and purpose given by the management for creating such funds is considerable. The bus fee rebate has been given to those students which has paid the bus fees but travelling from their own vehicle. All the clarifications by the management have been provided and such contention of the management was considered.

For: Satyasha Chartered Solutions (OPC) Pvt. Ltd.

Director

PART C: Conclusion

- That, such review report has been issued in respect of the appointment made by the management of the trust to review the financial position, transaction of the trust.
- That, all the recommendations in the review report are directory in nature for the improvement of the recording and presentation of the financial position and transaction of the trust.

For: SATYASHA CHARTERED SOLUTIONS (OPC) PRIVATE LIMITED

For: Satyasha Chartered Solutions (OPC) Pvt. Ltd.

ASHA GOYAL (Director)

Indore; 27.04.2020


Director