

## ANNEXURE 1 TO AUDIT REPORT

1. There are total 99 departments in this University. The following departments/Bank Accounts of Departments are not incorporated in consolidated financial statements in consistent with past practice due to non-availability of complete financial data. The impact of non-inclusion of the financial transaction of below institutions/departments on the Consolidated Financial Statement of the University is presently not ascertainable.
  - Gymkhana college accounts of Department/Institutions of Juhu Campus (except Gymkhana of C.U. Shah Department)
  - Vocation account of College of Education
  - Registrar B.Ed Admission account
  - Contributory Provident Fund Balance Sheet
  - The Bank Account of Arts Junior College, Churchgate with Central Bank of India
2. We observed that there are 1696-line items (Ledger accounts) in the financial statements wherein the balances are lying static since number of years and same has been reported in Previous Financial year's audit report notes.

Management has conducted static balance audit by Independent Auditor. Management Council has taken on record the Audit report of verification and analysis submitted by Independent Auditor vide board resolution passed on 30.07.2022. The Effect of Static Balances mentioned in audit report have not been considered in the accounts for the financial year 2021-22.

- ❖ Total 30 Departments of Churchgate, Juhu and Pune campus were having static balances and those have been verified and identified as static & old balances by us for the year under consideration:

**I. Department of Churchgate Campus:**

1. Department of University Finance
2. Department of Life Long Learning and Extension
3. Department of English
4. Department of Political Science
5. Department of Commerce
6. Department of Psychology
7. Department of Knowledge Resource Center – Library Mumbai
8. Department of Patkar Hall
9. Department of Mumbai Hostel
10. Department of Hindi
11. Department of Sociology
12. Department of Music

13. Department of Sanskrit
14. Department of Economics

**II Department of Juhu Campus**

15. Department of P.V. Polytechnic
16. Department of SVT College of Home Science
17. Department of P G Computers
18. Department of UMIT
19. Department of Center Distance Education
20. Department of PG Home Science
21. Department of Juhu Hostel

**III Department of Pune Campus**

22. Department of SNTD Arts, College Senior
23. Department of SNTD Arts College, Junior
24. Department of College of Education, Pune
25. Department of College of Home Science Senior
26. Department of College of Home Science Junior
27. Department of Life Long Learning Extension- Sub Center
28. Department of Pune Hostel
29. Department of PGSR
30. Department of Library Pune

Department wise list of such static balances (the credit balance total amounted to INR 132.72 Crores & the debit balance total amounted to INR 183.46 Crores) is given in **ANNEXURE-1(A)** enclosed with this Annexure.

3. There is an amount of INR 4,26,10,833/- lying under the head of Acc Code 8883- Capital WIP University as on 31.03.2022. There is no movement since many years and can be considered as Static Balance. University had made an expenditure on {Account Head 103} Building under construction of Rs. 7,49,04,900.71/- which is lying since more than 5 years and still there is no movement in current financial year and is grouped under the work in Process only.
4. Among such static balances, there are 275 Ledger accounts of various statutory liabilities/assets (with debit balance of Rs. 66,07,330/- & credit balance of Rs. 3,41,86,557/-) lying in the books of accounts as opening balances without any movement in the current financial year. It consists of liability & assets head of TDS, Provident Fund, Professional Tax, Service Tax Payable etc. We have not been provided any documents or break up of such amounts in order to check the any legal consequence for the same. Details of the same are provided in **ANNEXURE –1(B)**.

5. Loans and Advances given aggregating to Rs. 74,39,92,167/- (Previous year 86,87,21,637/-) comprises of various old advances (including advances identified as bad by the management) given in the normal course of functioning of university to defray specific expenses. Due to non-recording of the underlying expenses in the related financial year, the advances have continued as unadjusted/unconfirmed asset in the books of account of the university and the concerned institutions and colleges. Necessary adjustment is required to be made to the carrying values of the above account balances in the year of completion of reconciliation/settlement. Due to non-availability of confirmations and correspondence, the impact on assets/liabilities could not be ascertained in the financial statement.
6. There are many inter departmental transactions taking place between departments/university & institutions.
- We observed that the complete & final reconciliation between these departments is pending since many years. The required details of such transactions for the purpose of reconciliation are either partially available or not available. Therefore, the management is not in position to give exact position of the balance between the departments, this may lead to over statement or understatement of assets, liability, income or expenses of various departments. Our opinion on the true & fair view of the financial statements is subject to such limitation.
  - The unreconciled difference between departments with the university and other departments are given in **Annexure 1(C)** enclosed with this Annexure. It depicts debit difference of INR 40.91 Crore (total of debits amounting to 118.29 Crore is not getting reconciled with the total of corresponding credit amounting to INR 77.37Crore) & credit difference of INR 31.48Crore (total of credits amounting to INR 105.36 Crore is not getting reconciled with the total of corresponding debits amounting to INR 73.87 Crore].
  - In addition to the difference mentioned above, there is a possibility that few new debit/credit balances may appear for this department in reconciliation process of other departments.
7. As informed by the management, the fixed assets/dead stock memorandum record is under preparation to disclose full particulars such as quantitative details, assets funded by grants /donations and location of the respective fixed assets. However the same is going on since last 4 years. In absence of Physical Verification/review of Fixed assets and capital work in progress by the management the existence and physical condition thereof could not be ascertained. Resultantly fixed assets and inventory are being carried at historic cost as at the financial statement date.

8. Development fund amounting to Rs.10.93 Crores has not been ear marked by investing funds in fixed deposits.
9. There are few legal cases pending in various court of laws against the university. We have not been provided the details of such cases and as such we are unable to comment upon the ascertainment and quantification of the amount of contingent liability
10. It is noticed that there is no system of mapping the funds through donations/grants/world bank loan with its application in assets and expenses. Therefore, the impact on financials for non-utilization of time barring funds received cannot be ascertained. The grants received for projects and assets related was not reconciled since many years and also there was no utilization certificate available in many instances. The expenses were done as per the available records but the grant liability was not yet adjusted accordingly.
11. A) There is an opening balance of Salary Grant receivable amounting to INR. 1,14,81,45,099.00/. As per management, this amount is static as salary assessment is pending since 1994. The cumulative "Salary Grant Receivable" up to year ended on 31<sup>st</sup> March, 2022 (including the amount for the current financial year) amounted to INR 99,55,65,752.00/-. No confirmation or any documentation for such huge receivable amount was available on record  
B) The university is required to remit tuition fees amount to Government. However as informed by management, the university has not remitted the said amount (Nearly INR 17.43 Crores for the F Y 2021-22) of Tuition fees to the Gov. for want of pending assessment of salary from the government. Also, the liability of making the payment of Tuition fees is not provided in the Books of Accounts since years, the same is recorded as income in the current Financial Statements.
12. As informed by the management, confirmation and reconciliation of current assets, receivables, advances/deposits given and accepted and payables and current & contingent liabilities balances including static balances is under process, effect of which cannot be ascertained & quantifiable as at the date of adoption of financial statement with reasonable accuracy.