

Particulars	2021-22	2020-21	Audit Query	CUTM Response
Loans & Advances and Deposits	50,82,45,838	19,24,07,693	Inter Unit balance are not nullified that why this figure showing such a huge balance	There was a grouping error and the same has been rectified. The revised balance is 12.9 crores. Out of which inter-unit receivable is 3 crores.
Liabilities and Provisions	56,39,30,255	17,88,61,823	Inter Unit balance are not nullified that why this figure showing such a huge balance	There was a grouping error and the same has been rectified. The revised balance is 18.5 crores. Out of which inter-unit receivable is 3 crores.
Write-Off (P&I item)	-	6,39,33,762	During the year there is no write of old receivable?	53 Lakhs Write-off entry has been updated in the revised Financials.
Sundry Debtors	-92,17,227	14,14,537	Sundry debtor showing debit qbalance. Reason for such	
Other Receivables	3,83,32,089	1,39,26,350	What type of receivable grouped under this head and why during this fy this has been increased substantially .	Accrued interest and other receivables.
<b>B. Other Educational Income</b>				
Sports/Alumni and related Fees	79,71,801	64,36,446	To be reviewed for GST applicability .	All the student related incomes other than academic, Hostel and transport fees grouped here as per our standard practice from previous years.
Income from facility uses	25,13,929	22,57,206	On this amount GST paid or not , I think this the amount we are amortising the rent of GTET	YES. We have already paid GST on this.
Scholarship Expenses	2,92,00,454	5,10,67,327	Scholarship expenses reduced substantially in comparison to last year . Is this year it's the actual figure or any omission or error are there pls verify.	Flat 40%/50% scholarship scheme has been suspended by us since 2020 batch, hence the scholarship expenses in PKD and Rayagada Campus has been reduced
Gratuity	1,33,35,824	52,94,168	Increased substantially in comparison to last year pls verify the accuracy.	Some of the high paid resources shifted to JITM. Hence Current period gratuity cost has been incresed substantially. At the same time gratuity cost has reduced in other two entities.
10 B				
Utilisation out of loan			How utilisation out of loan is NIL during the year?	NO utilisation made and the loan fund is lying in bankaccount.
	NIL			

**CUTM:-**

Particulars	2021-22	2020-21	Audit Query	CUTM Response
Liabilities and Provisions	14,74,52,719	8,74,49,409	Per Unit balance are not nullified that why this figure showing such a huge balance	balances includes balances with the creditors, provisions and other liabilities.
Grants in Aid	1,31,14,742	19,57,200	GST impact to be reviewed as we are treating it as revenue grant, further 22 lakhs received from Dassault is	22 Lakhs received from Dassault is for project implementation which is in the nature of revenue grant.
Training & Evaluation Income	95,67,493 (CUTm Jatni)		Applicability of GST to be reviewed	We have booked GST Wherever it is applicable. This may be cross-validated.
<b>Capital Grant</b>	14,40,17,111		Grant Asset created out of grant as per BS is Rs 18,95,25,489, There is a excess of Rs 45508378.00 grant asset created in comparison to Grant received.	Difference arises from the previous years. To be discussed.
<b>Less : Depreciation Against Assets Created out of Capital Grant</b>	-9,07,40,337	As per Dep sheet total	Difference of Rs 8517844 in depreciation shown in capital grant schedule and depreciation schedule.	Difference arises from the previous years. To be discussed.
Other Income	52,26,517	69,75,972	Majority income under this head is interest income, rename it and if any other income is grouped under this	Disclosure is made as per the standard practice from previous years.
Backpaper Fees	1,54,65,700	1,00,21,831	It will be part of academic fee , to review GST impact .	Disclosure is made as per the standard practice from previous years.
Processing Fees	29,42,500	1,39,69,137	It will be part of academic fee.	Disclosure is made as per the standard practice from previous years.
10 B	As we have excess utilisation during the period		Provision on Assessor fee needs to be made on conservative method.	Provison Done.



Particulars	2021-22	2020-21	Audit Query	CUTM Response
Sundry Creditors, Other Liabilities & Provisions	7,85,66,490	18,83,68,223	Inter Unit balance might have not nullified, to review	All the Inter-Unit Balances has been nulified to an extent of 15 crores. This group majorly includes balances with the creditors, provisions and other liabilities.
Rent, rates & taxes	1,32,96,454	19,66,552	Increased Substantially, last year figure needs to be reviewed.	All the GST's paid on purchases but not taken as inputs grouped here. The same practice we have not done in the previous year.
Sports/Alumni and related Fees	1,26,00,061	73,20,990	Nature of income, GST impact to be reviewed.	All the student related incomes other than academic, Hostel and transport fees grouped here as per our standard practice from previous years.
10B Working needs to be reviewed				

*Anita Patra*

Registrar, CUTM

**REGISTRAR**  
Centurion University of  
Technology & Management  
ODISHA



Centurion  
UNIVERSITY

Shaping Lives...  
Empowering Communities...

## **Observation for the Financial Year, 2019-20**

We have reviewed FCR Books of Accounts for the Financial Year, 2019-20 and observed the following irregularities which may be looked into

### **A Grant from Dassault System Foundation**

Sponsorship agreement was made on 7<sup>th</sup> March, 2019 between the above section 8 company with CUTM. This agreement is valid for one year from the date of agreement.

That CUTM, Odisha will upgrade an “ Indian Training Institute” , ITI to make it a model ITI at Kachavapalem, Visakhapatnam for which following financial assistance was approved by the funding agency.

Financial Contribution of Dassault System Foundation.

1. Financial Contribution of Rs.22.5 Lakhs
2. Donation of Equipment for the Project worth Rs.7.5 Lakh to set up VR enabled infrastructure including Hologram VR Gadgets to impart training in Virtual Environment.
3. Break up of Approved utilization Rs.22.50 Lakhs.
  - a. Resource / Manpower cost for 10 resources - Rs.17 Lakhs
  - b. Mobilization & Deployment cost – Rs.4.00 Lakhs
  - c. Picture Book and use cases and handouts Rs.1.5 Lakhs

### Observations

- i. Donation of equipment worth Rs.7.5 Crore committed by funding agency has not been accounted for in the books of accounts till date

Suggestions: The equipment support received, if any to be accounted for in the books before finalization.

**Accounts Reply: We have not received the equipment yet. Hence no accounting treatment required for this.**

- ii. There is no training programme but related resource person fee booked in the books of account.

**Accounts Reply: NO Such transactions have been recorded in our books (FCRA),**

- iii. Further, it has been observed that the following capital expenditure which do not form part of the budget were purchased.

A vehicle was purchased for Rs.16.68 Lakhs from M/s. Refly Production House.

**Accounts Reply: Vehicle purchased is a part of project budget for the project of ITI model training purpose. Please find the copy of approved budget of the project .Other training expenses will bone from CUTM fund.**

A part payment of Rs.5. Lakhs was made to M/s. General Aeronautics Pvt. Ltd against purchase of Agri Hexi Copter with 20 min. endurance and a Multi Spectra Camera total amounting to Rs.21.12 Lakh.

**Accounts Reply: Advance payment of 5 lakhs with the party. The equipment is yet to receive from the party. Balance amount to be paid from CUTM fund.**

Further, against the above purchase, material receipt confirmation is not available and the balance payment against above bill datd.21.05.2020 could not be clarified.

**Accounts Reply: We have not received the material yet and its under testing at Bangalore lab. The process was delayed due to Covid. Further payments may be released from CUTM fund after receipt of materials.**

#### **Suggestions**

The above Capital Expenditure should be booked to related unit for which same were purchased and which should not be part of FCRA utilisation.

**Accounts Reply: Vehicle purchased for the same project of ITI model training purpose. Other training expenses will bone by CUTM fund as stated above.**

Utilisation certificate if any, submitted to funding agency may be produced for verification.

**Accounts Reply: NO utilisation certificate has been issued yet.**

Revision / modification of budget if any submitted to funding agency and approved may be produced for our verification

**Accounts Reply: NO revision/Modification of the budget made yet.**

**B. Grant from Swadesh Foundation.**

An implementation agency agreement was executed between CUTM and Swadesh Foundation and is valid for 24 month from 1<sup>st</sup> January, 2019 to December, 2020.

As per the terms of agreement, CUTM ( implementing agency ) will train 200 youths in Banking Finance and Insurance Services and 200 youths in IT enabled services i.e total of 400 youths training under the HSBC Skills for Life programme.

The total approved project cost for the above programme is for Rs.80,48,889.00 against which Rs.72,48,889.00 is approved grant from Swadesh Foundation and Rs.8,00,000.00 to be arranged by CUTM from other source towards capital expenditure.

1<sup>st</sup> Instalment of 70% of the grant was released on signing of the agreement which is as per terms of contract.

Observations:

It is observed that the CUTM (IA) has been submitting quarterly monitoring template stating from January – March, 2019 of 1<sup>st</sup> Quarter to end of March, 2020 as per terms of contract. The same includes both financial and activities reporting which appears to be reviewed by Deloitte for each quarter.

As per the review report released, the following quarterly expenses were reported till 31<sup>st</sup> March, 2020.

<b>Particulars</b>	<b>Fund Received</b>	<b>Fund Utilised</b>
Quarter-1 ( Jan-March,19)	45,66,800.00	---
Quarter-2 (April-June,19)	--	7,10,284.00
Quarter-3 ( July-Sept.,19)	--	9,10,906.00
Quarter-4 ( Oct-Dec.,19)	--	10,80,849.00
		-----
		27,02,039.00

Quarter-5 ( Jan-March,20)	--	6,33,293.00
		-----
		33,35,332.00

The utilisation submitted in quarterly utilisation statement does not match with the accounts i.e. a provisional expenses of Rs.8,13,489.00 was passed on 31<sup>st</sup> March, 2020 to match the utilisation certificate up to 31.12.2019. Further, supporting / basis of charging above provision are not attached. The details of provision made on 31.03.2020 are as follows :

	<u>Amount (Rs.)</u>
Provision of advertising	40,037.00
Trainee Acquisition Expenses	1,65,000.00
Travel Lodging & Boarding	2,62,263.00
Consumable Practice Material	30,000.00
HSBC Certification Fees	97,750.00
Placement Expenses	21,350.00
Migration hand holding and tracking of Placement	1,10,007.00
Telephone & Internet Expenses	12,082.00
	-----
To Expenses Payable	8,13,489.00

It is to be noted that the above journal is passed to match the utilisation figure which is not as per actual. Similarly, expenditure, utilisation reported for Rs.6,33,293.00 in March Quarter has not yet been accounted for in the books of account.

Suggestions:

The books of accounts should be made on the basis of quarterly reporting starting from 2<sup>nd</sup> Quarter as there was no utilisation in 1<sup>st</sup> quarter.

**Accounts Reply: Already Discussed. Rectification is in progress by taking the entries period-wise. It will be completed by tomorrow.**

A wide variation in actual expenditure in comparison to budgeted expenditure was observed. For example, there is a provision of R. 1.00 Lakh per month for 6 trainers and against which more than Rs.1.6 Lakh were paid per month which exhausted the total budget within March, 2020 with training of 56% students. But, it is not clear who will bear the trainers salary for balance 46% students those have not yet been enrolled.

The manpower (trainers) were deputed from GTET without any contract to CUTM whose salary have been paid from the project irrespective of activities in shut down period.

Suggestions:

In the absence of agreement and in compliance to own proposal and approval by funding agency, the salary to extent of Rs.1,00,000.00 PM is payable from the project irrespective of salary received by trainers from GTET for handling various activities including the above project.

**Accounts Reply: Already Discussed. Rectification is in progress. The salary cost will be booked periodically. Other expenses included in salary cost will be transferred to respective heads periodically.**

**C. Sri Gorekhnath Creation**

It has been observed that a sum of Rs.2,89,392.00 was paid advance to above party during financial year, 2018-19 from FCR account which is lying unutilised in the books. On verification , it was observed that an equal amount of expenditure was booked in CUTM general account and the amount is lying payable till date.

Since, the expenditure is booked in CUTM general account in previous year and no further purchase of material / services is pending with the party, we recommend to make inter account adjustment of the same and the advance be transferred to Sri Gorekhnath Cration, (CUTM) General account where expenditure was already booked in previous year.

**Accounts Reply: Already discussed and rectified in books of accounts before reporting.**

**D. OTHERS**



- a. Solar Light were purchased for Rs.1,29,26,639.18 from M/s. SELCO which were booked to FCRA irrespective of total grant received / receivable during the year.

Suggestion:

The purchase of Solar Light in FCR account should be limited to capital grant and revenue grant received during the year. Th excess utilisation of Rs.55 Lakhs approximately should be transferred to CUTM General account as no funding agency has given commitment for such payment and also CUTM has not received any grant in respect of above till the date of audit finalisation in October, 2020.

**Accounts Reply: Already Discussed and rectified in books of accounts before reporting**

- b. The deduction from staff towards transportation, food, swimming pool etc under indirect income should be transferred to CUTM general account as those are not FCR receipt. Details are as follows :

Other Deduction	(-) Rs.30.00
Received from Swimming activities (+)	Rs.1,500.00
Transportation	(-) Rs.850.00

**Accounts Reply: Already discussed and Rectified in books of accounts as per the audit query.**

**E. UNALLOCATED FEES :**

- a. It was observed that; fees being received through Bank ( RTGS / NEFT ) or swiping of the Debit / Credit Cards are not being appropriated to individual students due to lack of information. Some of the details are as follows :

JITM	
Payu Payments Pvt. Ltd.	2.53 Lakhs
Fees ( Unknown )	21.53 Lakhs

CUTM-PKD

Unknown Students

6.35 Lakhs

Fees Receivable ( Unknown)

5.76 Lakhs ( Cr.)

It appears, due to lack of co-ordination and / or non-functioning of the monitoring system to obtain the data to relate the collection to individual students these problems continuing. This may be looked into.

**Accounts Reply: Receipts directly credited in our bank accounts through cash deposit/ RTGS have no details (such as – reference number/student roll number etc.) to identify the source of collection, hence it's parked in this head. These amounts will be knocked off gradually based on the details received from student queries.**

b. Other Current Fees : Rs.49.09 Lakhs.

This appears to be the fee collected over and above the amount due and the policy in this regard not being made clear, the same is appearing in the books without being properly classified. This may also be looked into.

**Accounts Reply: Already discussed about this.**

#### F. FEE RECEIVABLES

The amount of fees receivable appears abnormal in comparison to the fee income. Some of the details are as follows :

a.	JITM-Rayagada	Amount (Rs.)
	Fees credited during the year	591.90 Laksh
	Receivable as at 31.03.2020	364.16 Lakhs
	The above includes old fees receivable of	121.55 Lakhs
	Net Receivable ( current period )	242.62 Lakhs

The outstanding figure being around 41%, steps need be taken at the earliest for speedy recovery.

**Accounts Reply: Fee charging and their collection tracking is already in process by the revenue team and it's expected to improve in fee recovery in the current financial year. The current status of outstanding of the same is - 152.26 Lakhs**

b. CUTM-PKD	Amount (Rs.)
Fees credited during the year	233.90 Laksh
Fee Receivable as at 31.03.2020	123.23 Lakhs
% age to fee credited	Around 53%

Hence, steps need to be taken as above.

**Accounts Reply: Fee charging and their collection tracking is already in process by the revenue team and there is will be improvement in fee recovery in the current financial year. The current status of outstanding of the same is – 116 Lakhs**

**G. TDS LIABILITY**

At JITM, TDS liability of Rs.2.68 lakhs is lying since last year which has not been paid.

**Excess booked liability is carrying in books since last year. We will reconcile the same and reverse in books by tomorrow.**

  
Registrar, CUTM  
REGISTRAR  
Centurion University of  
Technology & Management  
ODISHA



Jagannath Patro &lt;jagannath.patro@cutm.ac.in&gt;

**Re: Action to be taken/Observations on auditing for f.y.2019-20**

4 messages

**Himansu Sekhar Kabi** <himansu.kabi@cutm.ac.in>

Mon, Oct 12, 2020 at 9:57 PM

To: Bibek Mohanty &lt;mbibek.srb@gmail.com&gt;, Jagannath Patro &lt;jagannath.patro@cutm.ac.in&gt;

Cc: Dr Mukti Mishra &lt;mukti.mishra@cutm.ac.in&gt;, Prof D N Rao &lt;dnrao@cutm.ac.in&gt;, Vineet Chhatwal &lt;vineet@cutm.ac.in&gt;

Hi Sir,

All the queries are discussed internally with the team and suggested actions are being recorded in books. Will send you point-wise status by tomorrow 1 pm.

Also looping Jagannath Patro (Audit Coordinator)

Regards,

Himansu

On Mon, 12 Oct 2020 at 9:14 PM, PRESIDENT @ CUTM &lt;president@cutm.ac.in&gt; wrote:

Prof Mukti K Mishra  
President - Centurion University  
Chairman - Gram Tarang

Begin forwarded message:

**From:** Bibek Mohanty <mbibek.srb@gmail.com>**Date:** 12 October 2020 at 6:00:15 pm GMT+5:30**To:** [cfo@cutm.ac.in](mailto:cfo@cutm.ac.in)**Cc:** Vineet Chhatwal <vineet@cutm.ac.in>, Dr Mukti Mishra <mukti.mishra@cutm.ac.in>, Dnrao Dechiraju <dnraojitm@gmail.com>**Subject:** Action to be taken/Observations on auditing for f.y.2019-20

dear mr Himanshu!

THIS IS IN CONTINUATION OF MY EARLIER MAIL DTD 13.09 AND ATTACHED PLEASE FIND HERewith FURTHER OBSERVATIONS FOR DOING THE NEEDFUL AT YOUR END.

--

**Bibek Mohanty**

Partner

**SRB & Associates**

Chartered Accountants

5th Floor, IDCO Towers

[Janpath, Bhubaneswar - 751022](#)**Ph:** +91.9437.079.588E-mail: [mbibek.srb@gmail.com](mailto:mbibek.srb@gmail.com)

Epabx: +91.674.2541.043, +91.674.2548.880

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**himansu kabi** <himansu.kabi@cutm.ac.in>  
To: Jagannath Patro <jagannath.patro@cutm.ac.in>

Tue, Oct 13, 2020 at 11:24 AM

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**2 attachments**



**Centurion-1.docx**  
27K



**Untitled attachment 00435.html**  
1K

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**Jagannath Patro** <jagannath.patro@cutm.ac.in>

Tue, Oct 13, 2020 at 10:17 PM

To: Bibek Mohanty <mbibek.srb@gmail.com>

Cc: Dr Mukti Mishra <mukti.mishra@cutm.ac.in>, Prof D N Rao <dnrao@cutm.ac.in>, Vineet Chhatwal <vineet@cutm.ac.in>, Himansu Sekhar Kabi <himansu.kabi@cutm.ac.in>

Dear Sir,

Kindly find our replies to your audit observations, given in-line of the attached file.

We are keeping the similar replies here, as we made during the course audit for all the mentioned points.

Request to kindly consider the same for your audit documentation and move ahead for sign off of the books of accounts.

Thanks and Regards,  
Jagannath Patro  
Mob- 9777495323

[Quoted text hidden]



**Centurion- With Accounts reply.docx**  
30K

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**PRESIDENT @ CUTM** <president@cutm.ac.in>

Tue, Oct 13, 2020 at 10:37 PM

To: Jagannath Patro <jagannath.patro@cutm.ac.in>

Cc: Bibek Mohanty <mbibek.srb@gmail.com>, Dr Mukti Mishra <mukti.mishra@cutm.ac.in>, Prof D N Rao <dnrao@cutm.ac.in>, Vineet Chhatwal <vineet@cutm.ac.in>, Himansu Sekhar Kabi <himansu.kabi@cutm.ac.in>

Thanks Jagannath.  
Will discuss on this Himanshu when we meet tomorrow  
Prof Mukti K Mishra  
President - Centurion University  
Chairman - Gram Tarang

On 13 Oct 2020, at 10:17 pm, Jagannath Patro <[jagannath.patro@cutm.ac.in](mailto:jagannath.patro@cutm.ac.in)> wrote:

[Quoted text hidden]

<Centurion- With Accounts reply.docx>

*Anita Patra*  
Registrar, CUTM  
**REGISTRAR**  
Centurion University of  
Technology & Management  
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