
**PHALTAN EDUCATION SOCIETY'S
College of Engineering Polytechnic**

**Financial statements for the year
ended 31 March 2023 together with
the Independent Auditors' Report**

Independent Auditors' Report

To the Management of

Phaltan Education Society's College of Engineering Polytechnic

Opinion

We have audited the accompanying financial statements of the College of Engineering Polytechnic (Unit) which is a Unit of the Phaltan Education Society ("the Trust") which comprise the Balance Sheet as at 31 March 2023, the Income and Expenditure Account and a summary of significant accounting policies and other explanatory information which are in agreement with the books of accounts maintained by the unit.

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

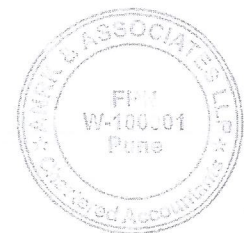
- i. in the case of the Balance Sheet, of the state of affairs of the unit as at 31 March 2023;
- ii. in the case of the Income and Expenditure Account of the deficit for the year ended on that date

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing ("SAs"). Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the unit and the trust in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibility for the Financial Statements

The Management of the Unit 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 Unit in accordance with the Accounting Standards as prescribed by the Institute of Chartered Accountants of India. 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.



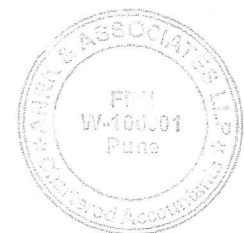
**Phaltan Education Society's College of Engineering Polytechnic
Independent Auditors' Report (continued)**

Auditor's responsibilities for the audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



**Phaltan Education Society's College of Engineering Polytechnic
Independent Auditors' Report (continued)**

Auditor's responsibilities for the audit of Financial Statements (continued)

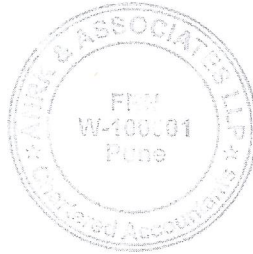
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**For ANRK & Associates LLP
Chartered Accountants
Firm Registration Number: W-100001**

**ATUL
GOPAL
BHATE**

Digitally signed by ATUL GOPAL BHATE
DN: cn=ATUL GOPAL BHATE, o=ANRK & Associates LLP, ou=ANRK & Associates LLP, email=atulgopalbhate@anrkandassociates.com, c=IN, postalCode=411018, serialNumber=127046630f9c8e135429
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**Atul Bhate
Partner
Place: Pune
Membership Number: 046333
Date: 18 September 2023
UDIN: 23046333BGSCFI7515**

Phaltan Education Society's
College of Engineering Polytechnic
Phaltan, District -Satara

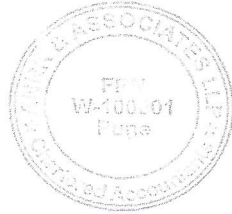
Balance Sheet as at 31 March 2023

Liabilities	Sch	Amount Rs.	Assets	Sch	Amount Rs.
Earmarked funds	A	84,11,683	Furniture and fixtures	F	11,56,059
Statutory dues payable	B	1,89,044	Other fixed assets	G	1,39,12,568
Inter unit advances accepted	C	7,89,34,175	Investments	H	19,28,955
Short term provisions	D	8,06,345	Fee receivables	I	2,17,99,804
Trade payables	E	20,36,792	Loans and advances	J	3,25,040
			Other assets	K	500
			Cash and bank balances	L	32,90,268
			Income and expenditure account	M	4,79,64,845
Total		<u>9,03,78,039</u>	Total		<u>9,03,78,039</u>

Subject to our separate report of even date
Summary of significant accounting policies

For ANRK & Associates LLP
Chartered Accountants
Firm Registration Number : W100001

ATUL GOPAL
BHATE
Atul Bhate
Partner
Membership Number : 046333
Date: 18 September 2023
Place: Pune
UDIN : 23046333BGSCFI7515



For Phaltan Education Society's
College of Engineering Polytechnic

Principal
Date: 18 September 2023
Place: Phaltan

Phaltan Education Society's
College of Engineering Polytechnic

Schedule to the Balance Sheet as at 31 March 2023

Schedule A: Earmarked funds	Balance as at 31 March 2023
Depreciation fund	
Balance as per last year balance sheet	76,72,022
Add: Depreciation for the year	<u>7,39,661</u>
Total	<u>84,11,683</u>
 Schedule B : Statutory dues payable	
Income tax payable	10,494
Provident fund employee contribution payable	
a. Teaching	37,800
b. Non teaching	<u>45,000</u>
Provident fund employer contribution payable	82,800
a. Teaching	37,800
b. Non teaching	<u>45,000</u>
Professional tax payable	7,400
Provident fund admin charges Payable	5,550
Total	<u>1,89,044</u>
 Schedule C : Inter unit advances accepted	
College of engineering	12,68,682
Phaltan education society (HO)	6,29,13,200
Phaltan education society's production centre	13,71,155
Phaltan education society's other nursery units	1,33,81,138
Total	<u>7,89,34,175</u>
 Schedule D : Short term provisions	
Gratuity payable	8,06,345
Total	<u>8,06,345</u>



Phaltan Education Society's
College of Engineering Polytechnic

Schedule to the Balance Sheet as at 31 March 2023

	Balance as at 31 March 2023
Schedule E : Trade payables	
Vaibhav book house Private Limited	6,67,023
Spectra point	12,48,000
Gandhi electricals	14,079
Phadatare mahadeo k	17,000
Shreeram enterprise	9,420
MSBTE	81,270
Total	20,36,792

Schedule F : Furniture and fixtures	Balance as at 1 April 2022	Additions	Deletions	Balance as at 31 March 2023
Furniture	11,56,059	-	-	11,56,059
Total	11,56,059	-	-	11,56,059

Schedule G : Other fixed assets	Balance as at 1 April 2022	Additions	Deletions	Balance as at 31 March 2023
Computer	47,96,340	1,12,050	-	49,08,390
Laboratory equipment	51,59,028	1,72,066	-	53,31,094
Library books	17,43,909	86,175	-	18,30,084
Fire systems	18,43,000	-	-	18,43,000
Total	1,35,42,277	3,70,291	-	1,39,12,568

Schedule H : Investments			
Fixed deposits with state bank of india: 33020765881		6,00,000	
Fixed deposits with state bank of india: 33026587992		<u>3,00,000</u>	9,00,000
Interest receivable on fixed deposit			10,28,955
Total			19,28,955

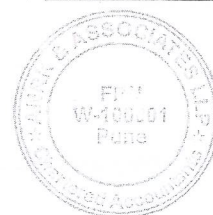
Schedule I : Fee receivables			
Balance as per last balance sheet		2,23,57,230	
Add: Receivable during the year		1,90,33,655	
Less: Received during the year		<u>(1,95,91,081)</u>	2,17,99,804
Total			2,17,99,804



Phaltan Education Society's
College of Engineering Polytechnic

Schedule to the Balance Sheet as at 31 March 2023

		Balance as at 31 March 2023
Schedule J : Loans and advances		
Advance to staff:		
Sachin ganpat ahiwale	15,000	
Ravindra madhukar bhosale	5,000	
Jagdish shriniwas borate	12,000	
Kondiva sampat chavan	48,000	
Anil mahadev gore	15,000	
Sandip ramchandra hendra	8,000	
Shailesh wishwas jadhav	16,000	
Digambar manik nibalkar	29,000	
Dhiraj uttam pawar	4,040	
Sujit sitaram raut	15,000	
Santosh ambadas saste	5,000	
Chaitnya korde	16,000	
Dattatray nimbalkar	30,000	
Vishal babu pawar	10,000	
Tushar shinde	97,000	
	<hr/>	3,25,040
Total		<hr/> <hr/> 3,25,040
Schedule K : Other assets		
Professional tax recoverable		500
Total		<hr/> <hr/> 500
Schedule L : Cash and bank balances		
Cash in hand		694
Shreemant malojiraje co-operative bank : 816001021000532		17,68,729
ICICI bank : 645201050652		15,20,845
Total		<hr/> <hr/> 32,90,268
Schedule M : Income and expenditure account		
Balance as per last balance sheet	4,42,45,694	
Add: Deficit for the year	37,19,151	4,79,64,845
Total		<hr/> <hr/> 4,79,64,845



Phaltan Education Society
College of Engineering Polytechnic
Phaltan, District- Satara

Income and Expenditure Account
For the year ended 31 March 2023

Expenditure	Sch	Amount Rs.	Income	Sch	Amount Rs.
Salary expenses	A	1,96,84,537	Fees	K	1,90,33,655
Advertisement expenses	-	37,810	Bank interest	L	1,94,058
Audit fee	-	1,00,400	Other income	M	33,245
Bank commission	-	2,904	Deficit for the year	-	37,19,151
Depreciation	-	7,39,661			
Rental expenses	-	18,000			
Travelling and conveyance	-	1,10,249			
Office and administration expenses	B	53,478			
Printing and stationery expenses	C	2,88,499			
Repairs and maintenance	D	2,42,974			
Student welfare expenses	E	12,69,270			
Legal and professional fees	F	56,147			
Communication expenses	G	547			
Rates and taxes	H	1,81,050			
Other expenses	I	1,31,033			
Honorarium expenses	J	63,550			
Total		<u>2,29,80,109</u>	Total		<u>2,29,80,109</u>

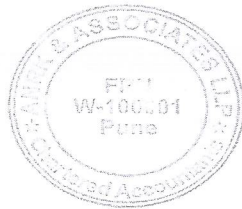
Subject to our separate report of even date
Summary of significant accounting policies

For ANRK & Associates LLP
Chartered Accountants
Firm Registration Number : W100001

ATUL GOPAL
BHATE

Atul Bhat
Partner

Membership Number : 046333
Date: 18 September 2023
Place: Pune
UDIN : 23046333BGSCFI7515



For Phaltan Education Society's
College of Engineering Polytechnic

Principal

Date: 18 September 2023
Place: Phaltan

Phaltan Education Society's
College of Engineering Polytechnic

Schedules to the Income and Expenditure Account for the year ended 31 March 2023

Schedule A : Salary expenses	Amount Rs.
<u>Teaching staff :</u>	
Salary expenses	1,34,60,068
Provident fund employer contribution	3,83,400
Provident fund admin charges	55,600
Incentive	6,92,290
	<u>1,45,91,358</u>
<u>Non teaching staff :</u>	
Salary expenses	47,90,779
Provident fund employer contribution	3,02,400
	<u>50,93,179</u>
Total	<u>1,96,84,537</u>
Schedule B : Office and administration expenses	
Meeting expenses	11,972
Office expenses	32,708
NPTEL expenses	7,600
Newspaper and periodicals	1,198
Total	<u>53,478</u>
Schedule C : Printing and stationery expenses	
Printing expenses	1,99,003
Stationary expenses	89,496
Total	<u>2,88,499</u>
Schedule D : Repairs and maintenance	
Repairs and maintenance	61,588
Building repairing and maintenance	12,716
Electrical consumable	1,300
Gardening expenses	1,66,370
Workshop consumables	1,000
	<u>2,42,974</u>



Phaltan Education Society's
College of Engineering Polytechnic

Schedules to the Income and Expenditure Account for the year ended 31 March 2023

	Amount Rs.
Schedule E : Student welfare expenses	
I cards	10,300
Sport expenses	7,790
Student transportation	70,718
Student training program	15,800
Youth festival expenses	23,625
Enrollment fee	32,609
Exam expenses	10,33,258
Technical event (Kuruksheetra)	75,170
Total	<u>12,69,270</u>

Schedule F : Legal and professional fee

Professional fee	2,500
Teacher training programme	11,800
Visiting faculty	37,647
Staff training programme	4,200
Total	<u>56,147</u>

Amount Rs.

Schedule G : Communication expenses

Postage expenses	547
Total	<u>547</u>

Schedule H : Rates and taxes

Affiliation and extension fees	1,72,500
Pro rata fee	8,550
Total	<u>1,81,050</u>



Phaltan Education Society's
College of Engineering Polytechnic

Schedules to the Income and Expenditure Account for the year ended 31 March 2023

Schedule I : Other expenses

PMKVY scheme	16,000
Training and placement	17,237
Watchman salary	97,796
Total	1,31,033

Schedule J : Honorarium expenses

Sanitation expenses	63,550
Total	63,550

Schedule K : Fees

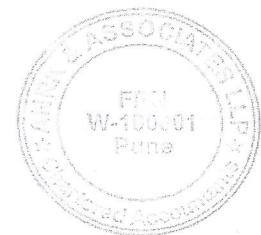
Tuition fees	55,57,530
Economically backward class scholarship	29,25,984
Government scholarship	96,64,015
Examination fee	8,67,526
Leaving certificate fee	18,600
Total	1,90,33,655

Schedule L : Bank interest

Interest on fixed deposit	1,63,181
Bank interest on saving account	30,877
Total	1,94,058

Schedule M: Other income

Miscellaneous income	33,245
Total	33,245



Phaltan Education Society's
College of Engineering Polytechnic
Phaltan, District- Satara

Receipt and Payment Account
For the year ended 31 March 2023

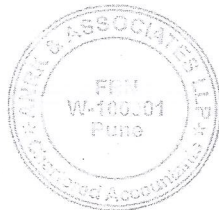
Receipts	Sch	Amount Rs	Payments	Sch	Amount Rs
Opening balance	A	6,55,780	Salary expenses	G	1,96,84,537
Fees	B	1,95,91,081	Inspection expenses	-	1,72,500
Bank interest	C	30,877	Advertisement expenses	-	37,810
Other income	D	33,245	Audit fee	-	1,00,400
Inter-unit advance accepted	E	1,16,38,381	Bank commission	-	2,904
Indirect receipts	F	24,51,936	Rental expenses	-	18,000
			Travelling and conveyance	-	1,10,249
			Other expenses	-	33,237
			Office and administration expenses	H	53,478
			Printing and stationery expenses	I	2,88,499
			Repairs and maintenance	J	2,42,974
			Student welfare expenses	K	11,94,100
			Legal and professional fees	L	1,31,317
			Communication expenses	M	547
			Rates and taxes	N	1,06,346
			Honorarium expenses	O	63,550
			Purchase of fixed assets	P	3,70,291
			Inter unit advance granted/repaid	Q	61,94,559
			Indirect payments	F	23,05,734
			Closing balance	A	32,90,268
Total		<u>3,44,01,300</u>	Total		<u>3,44,01,300</u>

Subject to our separate report of even date
Summary of significant accounting policies

For ANRK & Associates LLP
Chartered Accountants
Firm Registration Number: W-100001

ATUL GOPAL
BHATE

Atul Bhate
Partner
Membership Number : 046333
Date: 18 September 2023
Place: Pune
UDIN : 23046333BGSCF17515



For Phaltan Education Society's
College of Engineering Polytechnic

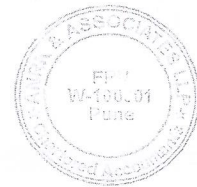
Principal

Date: 18 September 2023
Place: Phaltan

Phaltan Education Society's
College of Engineering Polytechnic

Schedules to the Receipt and Payment Account for the year ended on 31 March 2023

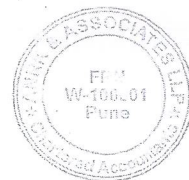
Schedule A : Cash and bank balances	Opening Amount Rs.	Closing Amount Rs.
Cash in hand	884	694
Shreemant malojiraje co-operative bank : 816001021000532	2,68,283	17,68,729
ICICI Bank : 645201050652	3,86,613	15,20,845
Total	6,55,780	32,90,268
Schedule B : Fees		Amount Rs.
Tuition fees		61,14,956
Economically backward class scholarship		29,25,984
Government scholarship income		96,64,015
Examination fee		8,67,526
Leaving certificate fee		18,600
Total		1,95,91,081
Schedule C : Bank interest		
Bank interest on saving account		30,877
Total		30,877
Schedule D : Other income		
Miscellaneous income		33,245
Total		33,245
Schedule E : Inter unit advance accepted		
Phaltan education society		1,16,22,226
Phaltan education society production centre		16,155
Total		1,16,38,381
Schedule F : Indirect receipts and payments	Indirect payments	Indirect receipts
MSBTE	-	74,680
Loans and advances	4,60,000	5,10,000
Statutory dues payable	15,97,997	16,19,518
Trade payable	2,47,737	2,47,738
Total	23,05,734	24,51,936



Phaltan Education Society's
College of Engineering Polytechnic

Schedules to the Receipt and Payment Account for the year ended on 31 March 2023

	Amount Rs.
Schedule G : Salary expenses	
<u>Teaching staff :</u>	
Salary expenses	1,34,60,068
Provident fund employer contribution	3,83,400
Provident fund admin charges	55,600
Incentive	6,92,290
	<u>1,45,91,358</u>
<u>Non teaching staff :</u>	
Salary expenses	47,90,779
Provident fund employer contribution	3,02,400
	<u>50,93,179</u>
Total	<u>1,96,84,537</u>
Schedule H : Office and administration expenses	
Meeting expenses	11,972
Office expenses	32,708
NPTTEL expenses	7,600
Newspaper and periodicals	1,198
Total	<u>53,478</u>
Schedule I : Printing and stationery expenses	
Printing and stationery expenses	2,88,499
Total	<u>2,88,499</u>
Schedule J : Repairs and maintenance	
Repairs and maintenance	61,588
Building repairing and maintenance	12,716
Electrical consumable	1,300
Gardening expenses	1,66,370
Workshop consumables	1,000
Total	<u>2,42,974</u>
Schedule K : Student welfare expenses	
I cards	10,300
Student transportation	70,718
Youth festival expenses	39,425
Enrollment fee	32,609
Exam expenses	10,33,258
Sport expenses	7,790
Total	<u>11,94,100</u>



Phaltan Education Society's
College of Engineering Polytechnic

Schedules to the Receipt and Payment Account for the year ended on 31 March 2023

	Amount Rs.
Schedule L : Legal and professional fee	
Professional fee	2,500
Teacher training programme	11,800
Staff training programme	4,200
Technical event (Kurukshetra)	75,170
Visiting faculty	37,647
Total	<u>1,31,317</u>
Schedule M : Communication expenses	
Postage expenses	547
Total	<u>547</u>
Schedule N : Rates and taxes	
Wages	97,796
Pro rata fee	8,550
Total	<u>1,06,346</u>
Schedule O : Honorarium expenses	
Sanitation expenses	63,550
Total	<u>63,550</u>
Schedule P: Purchase of fixed assets	
Computer	1,12,050
Lab equipments	1,72,066
Library books	86,175
Total	<u>3,70,291</u>
Schedule Q: Inter unit advance granted repaid	
College Of engineering degree	1,94,559
Malojiraje sheti vidyalay and Junior College Kayam non-grant	25,00,000
Shrimant shivajiraje college of horticulture	25,00,000
Siddhanath high school, mhaswad, non grant	10,00,000
	<u>61,94,559.00</u>



Overview

Phaltan Education Society ("PES or Trust") is a public trust incorporated under the Bombay Public Trust Act, 1950. The trust formed in the year 1953 and its registered office is situated in Phaltan- District Satara in the State of Maharashtra.

The trust primarily is formed for providing basic education and operates around 75 schools and colleges in and nearby Phaltan. The individual schools, colleges and institutions are referred as 'Units'. College of Engineering Polytechnic is a unit formed under the Trust for providing education in the field of educational services.

1. Significant accounting policies

Basis for preparation of financial statements

The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles ('GAAP') under the historical cost convention on accrual basis. GAAP comprises mandatory accounting standards notified and issued by the Institute of Chartered Accountants of India (ICAI) and other authoritative pronouncements. The financial statements are presented in Indian rupees and rounded off to the nearest rupee

The accounting policies adopted in the preparation of financial statements are consistent with those of the previous year.

Use of estimates

The preparation of financial statements requires the management of the Trust and the Unit to make judgments, estimates and assumptions that affects the reported balances of assets and liabilities and disclosures relating to the contingent liabilities as at the date of the financial statements and reported amounts of income and expenditure during the year. Actual results could differ from estimates. Differences between actual results and estimates are recognized in the year in which the results are known / materialized.

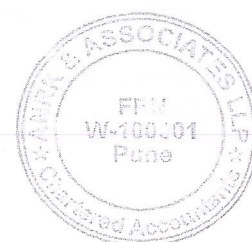
1.1 Revenue recognition

Grants- The trust and the respective units receive various grants from the Government for salaries and specific projects.

Revenue grants are credited to the Income and Expenditure Account as and when the right to receive grant is established.

Capital grants to the extent utilized are classified as Corpus. Unutilized capital grants are classified as other liabilities. Capital grants received for specific purposes are classified under Other Earmarked Funds.

Interest income is recognized on time proportion basis.



1.2 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of that asset. All other borrowing costs are charged to the Income and Expenditure Account.

1.3 Fixed assets

Fixed assets are carried at cost of acquisition or construction less accumulated impairment loss, if any. The cost of an item of fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price. Fixed assets under construction are disclosed as capital work-in-progress.

1.4 Depreciation

Depreciation on fixed assets is provided for on the written down value method at the rates mentioned below:

Type of asset	Rate
Buildings	10%
Furniture and fixtures, Equipment's and other assets	10%
Computers and books	10%

1.5 Impairment of fixed assets

The management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. Impairment loss is recognized when the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price and value in use.

Intangible assets which are not yet available for use are tested for impairment annually. Other fixed assets are reviewed at each reporting date to determine if there is any indication of impairment. For assets in respect of which any such indication exists and for intangible assets mandatorily tested annually for impairment, the asset's recoverable amount is estimated.



1.6 Investments

All investments of the Unit are long term in nature. Long term investments are stated at cost less provision for diminution, other than temporary, in the value of such investments.

Profit or loss on sale of investments is determined on the basis of weighted average carrying amount of investments disposed.

1.7 Employee benefits

i) Post-employment benefit plans

Defined benefit plan

In the case of other employees, the management has estimated the gratuity provision required and classified it as a defined benefit plan and necessary provisions are made in the financial statements.

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Unit makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The contribution is recognized as an expense in the Income and Expenditure Account during the period in which the employee renders the related service.

1.8 Accounting for taxes on income

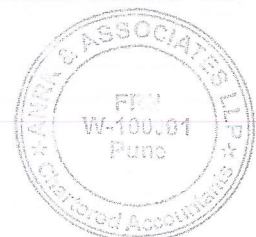
The trust is exempt from paying Income Tax under section 11 of the Indian Income Tax Act, 1961 resulting in the unit also being exempt from paying tax. Accordingly no provisions for income tax and deferred tax are considered necessary.

1.9 Provisions, Contingent liabilities and Contingent assets

The Unit recognizes provisions only when it has a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and when a reliable estimate of the amount of the obligation can be made.

No provision is recognized for –

- (a) Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- (b) Present obligations that arise from past events but are not recognized because-
 - 1) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - 2) A reliable estimate of the amount of obligation cannot be made.



Such obligations are recorded as Contingent liabilities. These are assessed continually and only that part of the obligation for which an outflow of resources embodying economic benefits is probable, is provided for, except in the extremely rare circumstances where no reliable estimate can be made.

Contingent assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

2. Other notes to the financial statements

Certain balance confirmations of inter unit balances were not available till the date of this report. The management is of the opinion that there would not be any material differences in the balances.

