

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

**Financial statements for the year ended
31 March 2020 together with the
Independent Auditors' Report**

ANRK & Associates LLP

Chartered Accountants

2nd Floor, Shreeram Apartments
1244-B, Apte Road
Deccan Gymkhana
Pune - 411 004

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Auditors' Report

To the Management of

Phaltan Education Society's College of Engineering

Report on the Financial Statements

We have audited the accompanying financial statements of the College of Engineering ('Unit) which is a Unit of the **Phaltan Education Society** ("the Trust") which comprise the Balance Sheet as at 31 March 2020 and the Income and Expenditure Account and the Statement of Receipts and Payments for the year then ended, a summary of significant accounting policies and other explanatory information which are in agreement with the books of accounts maintained by the unit.

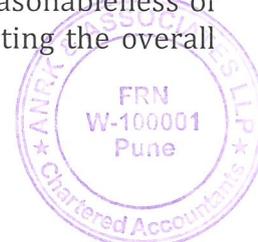
Management's responsibility for the Financial Statements

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.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Unit's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the unit's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.



**Phaltan Education Society's College of Engineering
Auditor's Report (Continued)**

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

The unit has not carried out an independent evaluation and has not accounted for any potential liability on account of gratuity payable, which constitute departure from the Accounting Standard 15 "Employee Benefits". Since no actuarial valuation is carried out, the potential impact on the financial statements cannot be quantified.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, 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 2020.
- ii. in the case of the Income and Expenditure Account of the deficit for the year ended on that date.
- iii. in the case of the Statement of Receipts and Payments of the total receipts and total payments for the year ended on that date.

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

**Abhijit Jadhav
Partner
Place: Pune
Membership Number: 135735
Date: 25 November 2020
UDIN : 20135735AAAASJ5091**



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

Balance Sheet as at 31 March 2020

Liabilities	Sch	Amount Rs.	Assets	Sch	Amount Rs.
Earmarked funds	A	3,34,57,119	Immovable properties	H	19,91,789
Employee dues payable	B	25,24,604	Furniture and fixtures	I	86,21,428
Statutory dues payable	C	3,99,080	Other fixed assets	J	4,98,42,599
Trade payables	D	40,99,440	Investments	K	53,83,841
Short term provisions	E	44,41,488	Deposits given	L	36,89,945
Other liabilities	F	4,15,016	Fee receivable	M	63,15,494
Inter unit advances accepted	G	17,86,88,031	Loans and advances	N	3,000
			Inter unit advances granted	O	3,32,299
			Cash and Bank balances	P	36,17,106
			Income and Expenditure Account	Q	14,42,27,277
Total		22,40,24,778	Total		22,40,24,778

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

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



Abhijit Jadhav
Partner
Membership Number : 135735

Date: 25 November 2020
Place: Pune
UDIN : 20135735AAAASJ5091



For College of Engineering



Principal
**Principal
P.E.S's**

Date: 25 November 2020
Place: Phaltan
College of Engineering
Phaltan, District - Satara (M.S.)

Phaltan Education Society's
College of Engineering

Schedules to the Balance Sheet as at 31 March 2020

Schedule A: Earmarked funds

		Balance as at 31 March 2020
Depreciation fund		
Balance as per last year balance sheet	3,04,57,264	
Add: Depreciation for the year	<u>29,99,855</u>	3,34,57,119
Total		<u><u>3,34,57,119</u></u>

Schedule B : Employee dues payable

Salary payable		25,24,604
Total		<u><u>25,24,604</u></u>

Schedule C : Statutory dues payable

Income Tax payable		2,16,680
Employer's contribution to provident fund payable		
a. Teaching	63,000	
b. Non teaching	<u>23,400</u>	86,400
Employee's contribution to provident fund payable		
a. Teaching	63,000	
b. Non teaching	<u>23,400</u>	86,400
Professional tax payable		9,600
Total		<u><u>3,99,080</u></u>

Schedule D : Trade payables

Gandhi electricals		3,70,862
Laxmi paints and Hardware		6,630
Shri raj computers		850
Spectra point		24,90,000
Vaibhav book centre		11,98,548
Vision E-solution		32,550
Total		<u><u>40,99,440</u></u>

Schedule E : Short term provisions

Gratuity payable		44,41,488
Total		<u><u>44,41,488</u></u>

Schedule F : Other liabilities

Teacher and Student co-operative store		2,95,847
PMKVY scheme		1,19,169
Total		<u><u>4,15,016</u></u>



**Phaltan Education Society's
College of Engineering**

Schedules to the Balance Sheet as at 31 March 2020

Schedule G : Inter institutional advances accepted	Balance as at 31 March 2020
College of Agriculture, Phaltan	50,00,000
Malojiraje Sheti Vidyalaya Junior College Kayam non grant	10,00,000
Malojiraje Sheti Vidyalay MCVC (Vocational)	15,00,000
Mudhoji High School and Junior College non grant division	10,00,000
Phaltan Education Society's Sheti Vibhag	1,00,000
Phaltan Education Society (HO)	14,27,15,341
School of nursing	5,00,000
Shrimant Shivajiraje College of Horticulture	26,00,000
Phaltan Education Society other nursery units (Consolidated)	1,60,75,290
Phaltan Education Society production units	80,27,400
YC mukta vidyapeeth Nashik	1,70,000
Total	<u>17,86,88,031</u>

Schedule H : Immovable properties	Balance as at 1 April 2019	Additions	Deletions	Balance as at 31 March 2020
Water tank	-	10,01,100	-	10,01,100
Internal roads	-	9,90,689	-	9,90,689
Total	-	<u>19,91,789</u>	-	<u>19,91,789</u>

Schedule I : Furniture and fixtures	Balance as at 1 April 2019	Additions	Deletions	Balance as at 31 March 2020
Furniture	86,21,428	-	-	86,21,428
Total	<u>86,21,428</u>	-	-	<u>86,21,428</u>

Schedule J : Other fixed assets	Balance as at 1 April 2019	Additions	Deletions	Balance as at 31 March 2020
Laboratory Equipment	2,65,38,594	2,85,000	-	2,68,23,594
Library Books	55,91,517	-	-	55,91,517
Fire extinguisher	31,444	4,60,655	-	4,92,099
Research lab	1,99,626	-	-	1,99,626
Sound System	20,000	-	-	20,000
Water Purifier	13,500	-	-	13,500
Xerox Machine	60,000	-	-	60,000
Computer	1,54,95,355	13,46,908	2,00,000	1,66,42,263
Total	<u>4,79,50,036</u>	<u>20,92,563</u>	<u>2,00,000</u>	<u>4,98,42,599</u>

Schedule K : Investments	Balance as at 31 March 2020
Fixed deposit	39,06,448
Interest receivable on Fixed deposit	14,77,393
Total	<u>53,83,841</u>



Phaltan Education Society's
College of Engineering

Schedules to the Balance Sheet as at 31 March 2020

	Balance as at 31 March 2020
Schedule L : Deposits given	
MSEB deposit	1,89,945
Security deposit	35,00,000
Total	36,89,945
Schedule M : Fee Receivable	
Balance as per last balance sheet	1,28,22,987
Add: Receivable during the year	2,47,06,160
Less: Received during the year	(3,12,13,653)
Total	63,15,494
Schedule N : Loans and advances	
Advance to staff	3,000
Total	3,000
Schedule O : Inter unit advances granted	
College of Engineering polytechnic	3,32,299
Total	3,32,299
Schedule P : Cash and Bank balances	
Cash in hand	1,307
Bank of Maharashtra : 60303101770	16,436
ICICI bank : 645201050652	2,04,545
Shreemant malojiraje co-operative bank : 816001021000442	3,12,057
State bank of India : 31852064758	30,82,762
Total	36,17,106
Schedule Q : Income and expenditure account	
Balance as per last balance sheet	12,29,07,008
Add: Deficit for the year	2,13,20,269
Total	14,42,27,277



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

**Income and Expenditure Account
For the year ended 31 March 2020**

Expenditure	Sch	Amount Rs.	Income	Sch	Amount Rs.
Salary expenses	A	4,06,26,420	Fees	I	2,47,06,160
Audit fee	-	28,668	Bank interest	J	4,44,929
Advertisement expenses	-	32,500	Other income	K	2,28,112
Bank commission	-	1,596	Balance written back	-	1,74,395
Depreciation	-	29,99,855	Deficit for the year		2,13,20,269
Office and administration expenses	B	6,39,451			
Electricity expenses	C	4,46,131			
Repairs and maintenance	D	2,04,061			
Student welfare expenses	E	7,27,309			
Printing and stationery	-	1,46,902			
Legal and professional fees	F	1,89,981			
Inspection expenses	G	3,63,763			
Operational expenses	H	4,67,227			
Total		4,68,73,864	Total		4,68,73,864

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

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



Abhijit Jadhav
Partner
Membership Number : 135735

Date: 25 November 2020
Place: Pune
UDIN : 20135735AAAAASJ5091



For College of Engineering



Principal
Principal
P.E.S's

Date: 25 November 2020
Place: Phaltan
College of Engineering
Phaltan, District - Satara (M.S.)

Phaltan Education Society's
College of Engineering

Schedules to the statement of Income and Expenditure
For the year ended 31 March 2020

Schedule A : Salary expenses

Amount Rs.

Teaching staff :

Salary expenses	3,34,57,684
Provident Fund employer contribution	8,31,600
Provident Fund admin charges	90,000

3,43,79,284

Non teaching staff :

Salary expenses	59,12,336
Provident Fund employer contribution	3,34,800

62,47,136

Total

4,06,26,420

Schedule B : Office and administration expenses

Examination expenses	1,71,282
Meeting expenses	5,203
Office expenses	32,793
News paper bill	3,941
Transport expenses	67,263
Travelling expenses	1,21,195
Sanitation expenses	48,490
Teacher training program	1,89,285

6,39,451

Total

Schedule C : Electricity expenses

Electrical consumables	25,491
Electricity expenses	4,20,640

4,46,131

Total

Schedule D : Repairs and maintenance

Repairs and maintenance	2,04,061
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2,04,061

Total



**Phaltan Education Society's
College of Engineering**

**Schedules to the statement of Income and Expenditure
For the year ended 31 March 2020**

Schedule E : Student welfare expenses	Amount Rs.
I-card expenses	5,640
Incentive award faculty	10,000
Practical expenses	1,106
Sport gymkhana expenses	29,554
Sport material	42,160
Student safety insurance	2,425
Student training program	2,16,275
Student transportation	72,333
Workshop consumable expenses (net)	2,32,749
Youth festival	1,15,067
Total	7,27,309
Schedule F : Legal and professional fees	
Consultancy charges	1,65,258
Professional fees	24,723
Total	1,89,981
Schedule G : Inspection expenses	
Admission regulating authority	33,740
Affiliation and extension fee	3,16,024
NAAC expenses	14,000
Total	3,63,763
Schedule H : Operational expenses	
Workshop maintenance expenses	54,728
Ashwamedh fees	2,328
Chequebook charges	1,770
Earlier year Professional Tax	15,142
Diesel expenses	69,454
Emergency fund	970
E-suvidha SUK	4,850
Faculty development program	66,635
Gardening expenses	1,05,660
Internet expenses	19,498
Kurushetra expenses	87,732
NSS camp	36,035
Pro-rata fee	2,425
Total	4,67,227



**Phaltan Education Society's
College of Engineering**

**Schedules to the statement of Income and Expenditure
For the year ended 31 March 2020**

	Amount Rs.
Schedule I : Fees	
Tuition fees	2,47,06,160
Total	<u><u>2,47,06,160</u></u>
Schedule J : Bank interest	
Interest on Fixed deposit	4,32,879
Bank interest	12,050
Total	<u><u>4,44,929</u></u>
Schedule K : Other income	
NAAC accreditation	50,220
Bonafide fees	1,440
Lead college fees	35,341
Transfer certificate fees	13,000
Other income	1,28,111
Total	<u><u>2,28,112</u></u>



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

**Statement of Receipts and Payments
For the year ended 31 March 2020**

Receipts	Sch	Amount Rs.	Payments	Sch	Amount Rs.
Opening balances	A	13,16,221	Salary expenses	G	4,06,26,420
Fees	B	3,12,13,653	Audit fee	-	28,668
Bank interest	C	12,050	Advertisement expenses	-	32,500
Other income	D	2,28,112	Bank commission	-	1,597
Sale of fixed assets	-	2,00,000	Office and administration expenses	H	6,39,451
Inter unit advance accepted	E	3,39,08,831	Electricity expenses	I	4,46,131
Indirect receipts	F	4,97,79,655	Repairs and maintenance	J	2,04,061
			Student welfare expenses	K	7,27,309
			Printing and stationery	-	1,46,902
			Legal and professional fees	L	1,89,981
			Inspection expenses	M	3,63,763
			Operational expenses	N	4,67,227
			Purchase of fixed assets	O	40,84,352
			Inter unit advances granted	E	1,06,87,921
			Indirect payments	F	5,43,95,133
			Closing balance	A	36,17,106
Total		<u>11,66,58,522</u>	Total		<u>11,66,58,522</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



Abhijit Jadhav
Partner
Membership Number : 135735

Date: 25 November 2020
Place: Pune
UDIN : 20135735AAAASJ5091



For College of Engineering



Principal
Principal
P.E.S's

Date: 25 November 2020
Place: Phaltan
Phaltan, Dist. Satara (M.S.)

**Phaltan Education Society's
College of Engineering**

**Schedules to the statement of Receipts and Payments
For the year ended 31 March 2020**

Schedule A : Opening and closing balances:	Balance as at 1 April 2019	Balance as at 31 March 2020
Cash	1,405	1,307
ICICI bank : 645201050652	1,50,734	2,04,545
Shreemant malojiraje co-operative bank : 816001021000442	7,37,567	3,12,057
State bank of India : 31852064758	4,25,512	30,82,762
Bank of Maharashtra : 60303101770	1,004	16,436
Total	13,16,221	36,17,106
Schedule B : Fees		
Tuition fees		3,12,13,653
Total		3,12,13,653
Schedule C : Bank interest		
Bank interest		12,050
Total		12,050
Schedule D : Other income		
NAAC accreditation		50,220
Bonafide fees		1,440
Lead college fees		35,341
Transfer certificate fees		13,000
Other income		1,28,111
Total		2,28,112
Schedule E: Inter institutional advances accepted/granted		
	Receipts Rs	Payments Rs
Phaltan Education Society (HO)	2,52,19,604	20,00,000
College of engineering polytechnic	86,89,227	86,87,921
Total	3,39,08,831	1,06,87,921



**Phaltan Education Society's
College of Engineering**

**Schedules to the statement of Receipts and Payments
For the year ended 31 March 2020**

Schedule F : Indirect receipts and payments

	Receipts Rs	Payments Rs
Income tax payable	28,57,640	26,40,962
AAR - EM Electronics	8,850	8,850
Anup Timber	97,533	1,18,936
Askari Infotech Pvt. Ltd	5,80,000	5,80,000
Balancing Instrument & Equipment	10,030	10,030
Champion Sports	27,160	27,160
Cummins India Schorship	6,87,779	6,87,779
Daily Aikya	11,500	11,500
Economic Backward Class payable	57,11,029	57,11,029
Gandhi Electricals	6,151	-
Kothari Enterprises	23,530	23,530
Lawrence and Mayo Pvt	27,612	27,612
Laxmi Paints and Hardware	35,185	28,555
Life insurance premium Employees	16,937	24,321
M/s. R. M. Patel and Com	2,39,599	2,49,228
Navale Institute of Com	3,45,000	3,45,000
Provident fund employee Non - Teaching	3,34,800	3,11,400
Provident fund employee Teaching	8,31,600	7,68,600
Provident fund employer Contribution Payable Non Teaching	23,400	-
Provident fund employer Contribution Payable Teaching	63,000	-
Professional Tax	1,44,742	1,35,142
Prompt Fire Engineers	4,60,655	4,60,655
Ragisister IIT Bombay	25,000	25,000
Salary Payable	25,24,604	-
Scientech	-	40,741
Shivshakti Agencies	18,020	18,020
Shri Bhagwan Saw Mill	1,66,443	1,66,443
Shri Raj Computers	4,300	3,450
	6,95,798	5,76,629
Sub-total	1,59,77,896	1,30,00,571



**Phaltan Education Society's
College of Engineering**

**Schedules to the statement of Receipts and Payments
For the year ended 31 March 2020**

Schedule F : Indirect receipts and payments (continued)

	Receipts Rs	Payments Rs
Sun Graphics	21,000	21,000
Tax deducted at source	14,144	14,144
Teacher Student Co Op Store	1,44,568	65,112
Techminds Infrasel Pvt	43,365	43,365
Unity Oil & Transport Service	59,622	59,622
Vanarse Telecom	5,290	5,290
Vishwjeet Infoworld	4,650	4,650
Vision E-Solution	7,36,843	15,17,933
V Net Enterprises	19,498	25,998
Loans and advances	3,54,800	4,37,135
Sundry debtors	3,23,97,979	3,92,00,313
Sub-total	3,38,01,759	4,13,94,562
Grand total	4,97,79,655	5,43,95,133

Schedule G : Salary expenses

Teaching staff :

Salary expenses	3,34,57,684
Provident Fund employer contribution	8,31,600
Provident Fund admin charges	90,000
	3,43,79,284

Non teaching staff :

Salary expenses	59,12,336
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Total	4,06,26,420

Schedule H : Office and administration expenses

Examination expenses	1,71,282
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News paper bill	3,941
Transport expenses	67,263
Travelling expenses	1,21,195
Sanitation expenses	48,490
Teacher training program	1,89,285
Total	6,39,451



**Phaltan Education Society's
College of Engineering**

**Schedules to the statement of Receipts and Payments
For the year ended 31 March 2020**

	Amount Rs.
Schedule I : Electricity expenses	
Electrical consumables	25,491
Electricity expenses	4,20,640
Total	<u>4,46,131</u>
Schedule J : Repairs and maintenance	
Repairs and maintenance	2,04,061
Total	<u>2,04,061</u>
Schedule K : Student welfare expenses	
I-card expenses	5,640
Incentive award faculty	10,000
Practical expenses	1,106
Sport gymkhana expenses	29,554
Sport material	42,160
Student safety insurance	2,425
Student training program	2,16,275
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Total	<u>7,27,309</u>
Schedule L : Legal and professional fees	
Consultancy charges	1,65,258
Professional fees	24,723
Total	<u>1,89,981</u>
Schedule M : Inspection expenses	
Admission regulating authority	33,740
Affiliation and extension fee	3,16,024
NAAC expenses	14,000
Total	<u>3,63,763</u>



**Phaltan Education Society's
College of Engineering**

**Schedules to the statement of Receipts and Payments
For the year ended 31 March 2020**

Schedule N : Operational expenses	Amount Rs.
Workshop maintenance expenses	54,728
Ashwamedh fees	2,328
Chequebook charges	1,770
Earlier year Professional Tax	15,142
Diesel expenses	69,454
Emergency fund	970
E-suvidha SUK	4,850
Faculty development program	66,635
Gardening expenses	1,05,660
Internet expenses	19,498
Kurushetra expenses	87,732
NSS camp	36,035
Pro-rata fee	2,425
Total	4,67,227

Schedule O : Purchases of Fixed Asset

Computers	13,46,908
Lab equipments	2,85,000
Fire extinguisher	4,60,655
Internal roads	9,90,689
Water tank	10,01,100
Total	40,84,352



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 is a unit formed under the Trust for providing education in the field of Engineering.

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	25%

1.5 Impairment of fixed assets

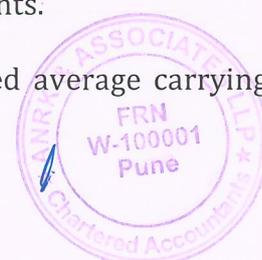
The management periodically assesses, using external and internal sources, whether there is an indication that an asset may be impaired. Impairment loss is recognized when the carrying value of an asset exceeds its recoverable amount. The recoverable amount is higher of the asset's net selling price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

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 –

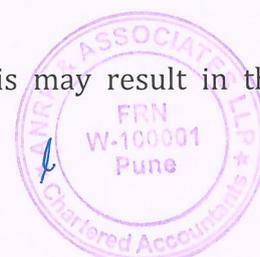
(a) Any possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or

(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.

