

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

**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

Opinion

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 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 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
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 Bhat
Partner
Place: Pune
Membership Number: 046333
Date: 18 September 2023
UDIN: 23046333BGSCFK1763**

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

Balance Sheet as at 31 March 2023

Liabilities	Sch	Amount Rs.	Assets	Sch	Amount Rs.
Earmarked funds	A	4,15,73,654	Immovable properties	G	19,91,789
Statutory dues payable	B	2,60,979	Furniture and fixtures	H	86,84,028
Trade payables	C	45,09,985	Other fixed assets	I	5,66,64,392
Short term provisions	D	9,53,007	Investments	J	64,33,720
Other liabilities	E	9,709	Deposits given	K	36,89,945
Inter unit advances accepted	F	23,11,64,007	Fee receivable	L	3,56,65,797
			Loans and advances	M	3,91,125
			Inter unit advances granted	N	12,68,681
			Cash and bank balances	O	60,51,460
			Income and expenditure account	P	15,76,30,404
Total		27,84,71,341	Total		27,84,71,341

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

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

For Phaltan Education Society's,
College of Engineering

Atul Bhate
Partner
Membership Number : 046333
Date: 18 September 2023
Place: Pune
UDIN : 23046333BGSCFK1763



Principal
Date: 18 September 2023
Place: Phaltan

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

Schedules 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	3,87,10,703	
Add: Depreciation for the year	<u>28,62,951</u>	4,15,73,654
Total		<u><u>4,15,73,654</u></u>

Schedule B : Statutory dues payable

Income tax payable		58,479
Employer's contribution to provident fund payable		
a. Teaching	66,600	
b. Non teaching	<u>25,200</u>	91,800
Employee's contribution to provident fund payable		
a. Teaching	66,600	
b. Non teaching	<u>25,200</u>	91,800
PF Admin charges payable		7,500
Professional tax payable		10,400
TDS Payable		1,000
Total		<u><u>2,60,979</u></u>

Schedule C : Trade payables

Spectra point		24,90,000
Vaibhav book centre		11,98,548
Teacher and Student co-operative store		3,36,541
KB Ads and publications		5,000
Shri raj computers		850
Unity oil & transport service		201
Anand Enterprise		31,653
Construction chemicals limited		81,697
Construction Skills		70,800
Samarth Aqua Treatment		2,94,695
Total		<u><u>45,09,985</u></u>

Schedule D : Short term provisions

Gratuity payable		9,53,007
Total		<u><u>9,53,007</u></u>



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

Schedules to the Balance Sheet as at 31 March 2023

	Balance as at 31 March 2023
Schedule E : Other liabilities	
Examination fee payable	6,309
Professional tax refundable to employees	3,400
Total	9,709

	Balance as at 31 March 2023
Schedule F : Inter institutional advances accepted	
Malojiraje Sheti Vidyalaya Junior College Kayam non grant	10,00,000
Malojiraje Sheti Vidyalay MCVC (Vocational)	15,00,000
Phaltan Education Society (HO)	20,45,58,757
Phaltan Education Society other nursery units (Consolidated)	1,60,75,290
Phaltan Education Society production units	80,29,960
Total	23,11,64,007

	Balance as at 1 April 2022	Additions	Deletions	Balance as at 31 March 2023
Schedule G : Immovable properties				
Water tank	10,01,100	-	-	10,01,100
Internal roads	9,90,689	-	-	9,90,689
Total	19,91,789	-	-	19,91,789

	Balance as at 1 April 2022	Additions	Deletions	Balance as at 31 March 2023
Schedule H : Furniture and fixtures				
Furniture	86,21,428	62,600	-	86,84,028
Total	86,21,428	62,600	-	86,84,028



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

Schedules to the Balance Sheet as at 31 March 2023

Schedule I : Other fixed assets	Balance as at 1 April 2022	Additions	Deletions	Balance as at 31 March 2023
Laboratory Equipment	2,68,38,075	7,98,958	-	2,76,37,033
Library books	56,92,411	4,25,195	-	61,17,606
Fire extinguisher	4,92,099	-	-	4,92,099
Research lab	1,99,626	-	-	1,99,626
Sound system	20,000	-	-	20,000
Water purifier	13,500	5,89,450	-	6,02,950
Xerox machine	60,000	-	-	60,000
Solar system	-	21,74,480	-	21,74,480
Computer	1,77,53,118	16,07,480	-	1,93,60,598
Total	5,10,68,829	55,95,563	-	5,66,64,392

Schedule J : Investments

Fixed deposit	63,81,245
Interest receivable on fixed deposit	52,475
Total	64,33,720

Schedule K : Deposits given

MSEB deposit	1,89,945
Security deposit	35,00,000
Total	36,89,945

Schedule L : Fee receivable

Balance as per last balance sheet	3,92,81,215
Add: Receivable during the year	3,86,60,464
Less: Received during the year	4,22,75,882
Total	3,56,65,797



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

Schedules to the Balance Sheet as at 31 March 2023

**Balance as at
31 March 2023**

Schedule M : Loans and advances

Advance to staff:

Adsul Vikram Vasantrya	83,000
Bajare Shrikant Sudhir	48,905
Chavan Sachin Shahaji	19,000
Ghadage Vinod	16,000
Govekar N S	1,020
Jadhav Ankush	17,000
Jadhav Tejas	44,000
Jagtap Nilesh Krishnarao	3,000
Mane Dilip	15,000
Mane Sangram	40,000
Shinde Vikas	15,000
Thorat Shankar Uttam	76,000

Subtotal

3,77,925

Balance from government authorities:

Professional Tax Paid In Advance	9,800
Professional Tax Recoverable	3,400

Subtotal

13,200

Total

3,91,125

Schedule N : Inter unit advances granted

College of Engineering polytechnic	12,68,681
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Total

12,68,681

Schedule O : Cash and bank balances

Cash in hand	224
Bank of maharashtra : 60303101770	17,747
Shreemant malojiraje co-operative bank : 816001021000442	3,87,106
State bank of India : 31852064758	56,46,383

Total

60,51,460

Schedule P : Income and expenditure account

Balance as per last balance sheet	15,35,41,756	
Add : Deficit for the year	<u>40,88,648</u>	15,76,30,404
		15,76,30,404



**Phaltan Education Society's
College of Engineering
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	3,45,29,101	Fees	O	2,57,02,192
Advertisement expense	B	1,59,652	Government of India scholarship	-	1,29,58,272
Inspection expense	C	9,85,332	Bank interest	P	2,82,306
Bank commission	D	4,043	Rental income	-	64,530
Repairs and maintenance	E	14,03,857	Other income	Q	10,466
Audit fee	-	60,000	Deficit for the year	-	40,88,648
Electricity expense	-	5,59,190			
Student welfare expense	F	13,51,923			
Office and administrative expense	G	1,48,128			
Communication expense	H	53,252			
Honorarium expense	I	2,22,679			
Legal and professional fees	J	35,763			
Printing and stationery	K	4,52,575			
Rental expense	L	19,200			
Travel and conveyance	M	2,27,488			
Depreciation	-	28,62,951			
Other expense	N	31,280			
Total		4,31,06,414	Total		4,31,06,414

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

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

For Phaltan Education Society's,
College of Engineering

Atul Bhate
Partner
Membership Number : 046333
Date: 18 September 2023
Place: Pune
UDIN : 23046333BGSCFK1763



Principal

Date: 18 September 2023
Place: Phaltan

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

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

	Amount Rs.
Schedule A : Salary expenses	
<u>Teaching staff :</u>	
Salary expenses	2,75,14,897
Provident fund employer contribution	7,67,775
Provident fund admin charges	85,800
Incentive awarded to faculty	11,65,839
	<hr/>
	2,95,34,311
<u>Non teaching staff :</u>	
Salary expenses	46,90,590
Provident Fund employer contribution	3,04,200
	<hr/>
	49,94,790
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Total	3,45,29,101
	<hr/> <hr/>
Schedule B: Advertisement expense	
Admission advertisement expense	1,12,600
Advertisement expense	47,052
	<hr/>
Total	1,59,652
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Schedule C: Inspection expenses	
Admission regulating authority	18,830
Affiliation and extention fee	9,66,502
	<hr/>
Total	9,85,332
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Schedule D : Bank commission	
Bank commission	2,609
Cheque Book charges	1,434
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Total	4,043
	<hr/> <hr/>



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

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

	Amount Rs.
Schedule E : Repairs and maintenance	
Building repair and maintenance	7,17,827
Computer consumables	1,42,624
Electrical consumables	1,46,686
Gardening expense	1,57,000
Repairs and maintenance	2,39,720
Total	<u>14,03,857</u>
Schedule F: Student welfare expenses	
I card expense	9,350
N S S camp	72,372
Student training program	4,66,141
Examination expenses	2,26,191
Student transportation	85,612
Workshop consumable expense	1,06,002
Youth festival	2,26,709
Technical event (Kurukshetra)	1,59,546
Total	<u>13,51,923</u>
Schedule G: Office and administrative expense	
Faculty development programme	1,05,600
Meeting expense	10,513
Newspaper expense	2,392
Office expenses	29,623
Total	<u>1,48,128</u>
Schedule H: Communication expenses	
Internet expenses	52,493
Postage expenses	759
Total	<u>53,252</u>



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

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

	Amount Rs.
Schedule I: Honorarium expenses	
Honorarium	1,72,825
Honorarium to sweepers	49,854
Total	<u>2,22,679</u>
Schedule J: Legal and professional fees	
Professional fees	7,500
Teacher training program	3,330
Visiting faculty	24,933
Total	<u>35,763</u>
Schedule K: Printing and Stationery	
Printing expenses	3,08,808
Stationery expense	1,43,767
Total	<u>4,52,575</u>
Schedule L: Rental Expense	
House rent expense	6,000
Other rent	13,200
Total	<u>19,200</u>
Schedule M: Travel and coveyance	
Transport charges	9,423
Travelling expense	72,076
Diesel expense	1,45,989
Total	<u>2,27,488</u>



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

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

	Amount Rs.
Schedule N: Other Expense	
W/I and peon dress	19,500
Website design fee	9,500
NAAC expense	787
TDS expenses	1,493
Total	31,280
Schedule O: Fees	
Economically backward class scholarship	80,65,861
Tuition fee	1,73,51,666
Exam fee	2,68,465
Transfer certificate fee	16,200
Total	2,57,02,192
Schedule P: Bank interest	
Interest on fixed deposit	2,81,825
Bank interest	481
Total	2,82,306
Schedule Q: Other incomes	
Other income	9,666
Prizes	800
Total	10,466



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

**Receipt and Payment Account
For the year ended 31 March 2023**

Receipt	Sch	Amount Rs.	Payment	Sch	Amount Rs.
Opening balances	A	14,55,269	Salary expenses	G	3,45,29,101
Fees	B	2,93,17,610	Advertisement Expense	H	1,59,652
Bank interest	C	44,289	Inspection Expense	I	9,85,332
Other income	D	10,466	Bank Commission	J	4,043
Rental income	-	64,530	Repairs and Maintenance	K	14,03,857
Inter Unit Advances Accepted	E	1,74,53,812	Audit fee	-	60,000
Indirect receipts	F	1,14,54,701	Electricity Expense	L	5,59,190
Government of India Scholarship	-	1,29,58,272	Student Welfare Expense	M	11,92,377
			Office And Administrative Expense	N	1,48,128
			Communication Expense	O	53,252
			Honorarium Expense	P	2,22,679
			Legal and Professional Fees	Q	1,95,309
			Printing And Stationery	R	4,52,575
			Rental Expense	S	19,200
			Travel and Coveyance	T	2,27,488
			Other Expense	U	31,280
			Purchase of Fixed Asset	W	56,58,163
			Inter Unit Advances Granted/ Repaid	X	93,70,000
			Indirect payments	F	1,14,35,863
			Closing balance	A	60,51,460
Total		<u>7,27,58,949</u>	Total		<u>7,27,58,949</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

For Phaltan Education Society's,
College of Engineering

Atul Bhat
Partner
Membership Number : 046333
Date: 18 September 2023
Place: Pune
UDIN : 23046333BGSCFK1763



Principal

Date: 18 September 2023
Place: Phaltan

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

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

Schedule A : Cash and bank balances	Opening Amount	Closing Amount
Cash in hand	16	224
Bank of Maharashtra : 60303101770	17,319	17,747
Shreemant malojiraje co-operative bank : 816001021000442	98,897	3,87,106
State bank of India : 31852064758	13,39,037	56,46,383
	14,55,269	60,51,460

Schedule B : Fees	Amount Rs.
Fees received	2,90,32,945
Exam fee	2,68,465
Transfer certificate fee	16,200
Total	2,93,17,610

Schedule C : Bank interest	
Interest on fixed deposit	43,808
Bank interest	481
Total	44,289

Schedule D : Other income	
Other Income	9,666
Prizes	800
Total	10,466

Schedule E : Inter unit advances accepted	
College of engineering, Polytechnic	1,94,560
Phaltan education society	1,72,56,692
Production unit	2,560
Total	1,74,53,812



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

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

	Amount Rs.	
	Indirect Receipt	Indirect Payment
Schedule F : Indirect receipts and payment		
Loans and advances	3,30,965	6,51,900
Sundry creditors	81,05,170	76,05,514
Other current liabilities	2,20,855	2,86,385
Statutory dues	27,97,711	28,92,064
Total	1,14,54,701	1,14,35,863

	Amount Rs.	
Schedule G : Salary expenses		
<u>Teaching staff :</u>		
Salary expenses		2,75,14,897
Provident Fund employer contribution		7,67,775
Provident Fund admin charges		85,800
Incentive Awarded to Faculty		11,65,839
		<u>2,95,34,311</u>
<u>Non teaching staff :</u>		
Salary expenses		46,90,590
Provident Fund employer contribution		3,04,200
		<u>49,94,790</u>
Total		<u>3,45,29,101</u>

Schedule H : Advertisement Expense		
Admission Advertisement Expense		1,12,600
Advertisement Expense		47,052
Total		<u>1,59,652</u>

Schedule I : Inspection Expenses		
Admission regulating authority		18,830
Affiliation and Extention Fee		9,66,502
Total		<u>9,85,332</u>



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

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

	Amount Rs.
Schedule J : Bank Commission	
Bank Commission	2,609
Cheque Book Charges	1,434
Total	<u>4,043</u>
Schedule K : Repairs and Maintenance	
Building Repair and Maintenance	7,17,827
Computer Consumables	1,42,624
Electrical Consumables	1,46,686
Gardening Expense	1,57,000
Repairs and Maintenance	2,39,720
Total	<u>14,03,857</u>
Schedule L : Electricity expenses	
Electricity expenses	5,59,190
Total	<u>5,59,190</u>
Schedule M : Student Welfare Expenses	
I Card Expense	9,350
N S S Camp	72,372
Student Training Program	4,66,141
Examination expenses	2,26,191
Student Transportation	85,612
Workshop Consumable Expense	1,06,002
Youth Festival	2,26,709
Total	<u>11,92,377</u>



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

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

	Amount Rs.
Schedule N: Office and Administrative Expense	
Faculty Development Programme	1,05,600
Meeting Expense	10,513
Newspaper Expense	2,392
Office Expenses	29,623
Total	<u>1,48,128</u>
Schedule O : Communication expenses	
Internet expenses	52,493
Postage expenses	759
Total	<u>53,252</u>
Schedule P : Honorarium expense	
Honorarium	75,000
Watchman salary	89,825
Remuneration	8,000
Sanitization Expense	49,854
Total	<u>2,22,679</u>
Schedule Q : Legal and Professional Fees	
Professional Fees	7,500
Teacher Training Program	3,330
Technical Event (Kurukshetra)	1,59,546
Visiting Faculty	24,933
Total	<u>1,95,309</u>
Schedule R : Printing and Stationery	
Printing Expenses	3,08,808
Stationery Expense	1,43,767
Total	<u>4,52,575</u>
Schedule S : Rental Expense	
House Rent Expense	6,000
Rent	13,200
Total	<u>19,200</u>



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

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

	Amount Rs.
Schedule T: Travelling and Conveyance	
Transport Charges	9,423
Travelling Expense	72,076
Diesel Expense	1,45,989
Total	<u>2,27,488</u>
Schedule U: Other Expense	
W/I and peon dress	19,500
Website design fee	9,500
TDS expense	1,493
NAAC expense	787
Total	<u>31,280</u>
Schedule W : Purchase of Fixed assets	
Furniture	62,600
Laboratory Equipment	7,98,958
Library Books	4,25,195
Water Purifier	5,89,450
Solar System	21,74,480
Computer	16,07,480
Total	<u>56,58,163</u>
Schedule X : Inter unit advances granted / Repaid	
College of Agriculture, Phaltan	50,00,000
Malojiraje Sheti Vidyalaya Junior College Kayam non grant	10,00,000
Phaltan Education Society's Sheti Vibhag	1,00,000
School of nursing	5,00,000
Shrimant Shivajiraje College of Horticulture	26,00,000
YC mukta vidyapeeth Nashik	1,70,000
Total	<u>93,70,000</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 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.

