

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

**Financial statements for the year
ended 31 March 2024 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 2024, 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 2024;
- 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: 26 September 2024
UDIN: 24046333BKCVCA9300**

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

Balance Sheet as at 31 March 2024

Liabilities	Sch	Amount Rs.	Assets	Sch	Amount Rs.
Earmarked funds	A	4,47,18,833	Immovable properties	G	19,91,789
Statutory dues payable	B	3,38,994	Furniture and fixtures	H	89,28,228
Trade payables	C	73,23,557	Other fixed assets	I	6,21,05,429
Short term provisions	D	9,53,007	Investments	J	75,32,811
Other liabilities	E	6,310	Deposits given	K	36,89,945
Inter unit advances accepted	F	24,05,59,835	Fee receivable	L	3,63,42,960
			Loans and advances	M	5,07,730
			Inter unit advances granted	N	26,71,034
			Cash and bank balances	O	1,16,01,358
			Income and expenditure account	P	15,85,29,252
Total		29,39,00,536	Total		29,39,00,536

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:26 September 2024
Place: Pune
UDIN :24046333BKCVCA9300

Principal
Date:26 September 2024
Place: Phaltan



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

Schedules to the Balance Sheet as at 31 March 2024

Schedule A: Earmarked funds

		Balance as at 31 March 2024
Depreciation fund		
Balance as per last year balance sheet	4,15,73,654	
Add: Depreciation for the year	<u>31,45,179</u>	4,47,18,833
Total		<u><u>4,47,18,833</u></u>

Schedule B : Statutory dues payable

Income tax payable		1,07,604
Employer's contribution to provident fund payable		
a. Teaching	64,800	
b. Non teaching	<u>37,800</u>	1,02,600
Employee's contribution to provident fund payable		
a. Teaching	64,800	
b. Non teaching	<u>37,800</u>	1,02,600
Provident fund admin charges payable		8,550
Professional tax payable		16,600
Withholding tax		1,040
Total		<u><u>3,38,994</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
Shri raj computers		850
Unity oil & transport service		202
Anand Enterprise		31,653
Construction chemicals limited		10,643
Construction Skills		70,800
Master tech solution		2,18,820
MS infinite e-learning		2,59,600
Vision E-solution		27,04,900
Thorath Shankar Uttam		1,000
Total		<u><u>73,23,557</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 2024

				Balance as at 31 March 2024
Schedule E : Other liabilities				
Examination fee payable				6,310
Total				6,310
Schedule F : Inter institutional advances accepted				
Phaltan Education Society (HO)				24,05,57,275
Production Unit				2,560
Total				24,05,59,835
Schedule G : Immovable properties				
	Balance as at 1 April 2023	Additions	Deletions	Balance as at 31 March 2024
Water tank	10,01,100	-	-	10,01,100
Internal roads	9,90,689	-	-	9,90,689
Total	19,91,789	-	-	19,91,789
Schedule H : Furniture and fixtures				
	Balance as at 1 April 2023	Additions	Deletions	Balance as at 31 March 2024
Furniture	86,84,028	2,44,200	-	89,28,228
Total	86,84,028.00	2,44,200	-	89,28,228



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

Schedules to the Balance Sheet as at 31 March 2024

Schedule I : Other fixed assets	Balance as at 1 April 2023	Additions	Deletions	Balance as at 31 March 2024
Laboratory equipment	2,76,37,033	-	-	2,76,37,033
Library books	61,17,606	3,14,297	-	64,31,903
Fire extinguisher	4,92,099	-	-	4,92,099
Research lab	1,99,626	-	-	1,99,626
Sound system	20,000	-	-	20,000
Xerox machine	60,000	-	-	60,000
Solar system	21,74,480	1,50,000	-	23,24,480
Computer	1,93,60,598	41,87,540	-	2,35,48,138
Electrical equipments	-	2,70,000	-	2,70,000
Software	-	5,19,200	-	5,19,200
Other equipments	6,02,950	-	-	6,02,950
Total	5,66,64,392	54,41,037	-	6,21,05,429
Schedule J : Investments				
FD-SBI-32021548070				30,23,711
FD-SBI-32678345845				32,07,534
FD-SBI-33026597445				3,28,952
FD-SBI-42062160153				4,50,000
FD-SBI-42062164432				1,50,000
FD-SBI-42148432930				1,50,000
Interest receivable on fixed deposit				2,22,614
Total				75,32,811
Schedule K : Deposits given				
Electricity deposit				1,89,945
Security deposit				35,00,000
Total				36,89,945
Schedule L : Fee receivable				
Balance as per last balance sheet				3,56,65,797
Add: Receivable during the year				6,81,12,326
Less: Received during the year				6,74,35,163
Total				3,63,42,960



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

Schedules to the Balance Sheet as at 31 March 2024

**Balance as at
31 March 2024**

Schedule M : Loans and advances

Advance to staff:

Adsul Vikram Vasantryao	11,000
Bajare Shrikant Sudhir	905
Bhosale Shivraj	6,000
Bodke Yogiraj	7,500
Chavan Sachin Shahaji	25,000
Dange Kiran	10,500
Deshmukh Sachin	7,500
Ghadage Vinod	49,000
Govekar N S	1,020
Hipparkar Abhijeet	15,000
Hitesh jadhav	44,000
Jadhav Ankush	16,500
jadhav Kiran	22,000
Jadhav Tejas	52,000
Jagtap Nilesh Krishnarao	37,000
Madane Shital	2,500
Mane Dilip	7,500
Randive Ashish S	42,245
Shinde Tushar	1,24,400
Shinde Vikas	7,500
KB Ads and publications	700
Samarth Aqua Treatment	60
Adke Alka	2,500

Subtotal

4,92,330

Balance from government authorities:

Professional tax paid In advance	9,800
Professional tax recoverable	5,600

Subtotal

15,400

Total

5,07,730

Schedule N : Inter unit advances granted

College of Engineering polytechnic	16,09,022
College of Pharmacy	10,62,012

Total

26,71,034

Schedule O : Cash and bank balances

Cash in hand	8,121
Bank of Maharashtra : 60303101770	18,241
Shreemant Malojiraje Co-operative Bank : 816001021000442	3,14,427
State Bank of India : 31852064758	1,12,60,569

Total

1,16,01,358



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

Schedules to the Balance Sheet as at 31 March 2024

Schedule P : Income and expenditure account

Balance as per last balance sheet	15,76,30,404.00	
Add : Deficit for the year	<u>8,98,848.00</u>	15,85,29,252
		<u><u>15,85,29,252</u></u>



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

**Income and Expenditure Account
For the year ended 31 March 2024**

Expenditure	Sch	Amount Rs.	Income	Sch	Amount Rs.
Salary expenses	A	3,83,42,057	Fees	O	2,91,11,867
Advertisement expense	B	1,86,950	Government of India scholarship	-	1,80,29,409
Inspection expense	C	7,33,681	Bank interest	P	3,93,764
Bank commission	D	3,532	Other income	Q	93,080
Repairs and maintenance	E	14,29,307	Deficit for the year	-	8,98,848
Audit fee	-	29,500			
Electricity expense	-	3,23,350			
Student welfare expense	F	17,64,067			
Office and administration expense	G	5,51,492			
Communication expense	H	92,792			
Honorarium expense	I	3,06,496			
Legal and professional fees	J	1,35,992			
Printing and stationery	K	1,55,007			
Rental expense	L	6,67,495			
Travel and conveyance	M	3,72,699			
Depreciation	-	31,45,179			
Other expense	N	2,87,372			
Total		4,85,26,968	Total		4,85,26,968

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: 26 September 2024
Place: Pune
UDIN : 24046333BKCVCA9300



Principal
Date: 26 September 2024
Place: Phaltan

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

Schedules to Income and Expenditure Account for the year ended 31 March 2024

	Amount Rs.
Schedule A : Salary expenses	
<u>Teaching staff :</u>	
Salary expenses	3,03,54,326
Provident fund employer contribution	8,01,000
Provident fund admin charges	91,350
Arrears	3,06,544
Incentive to staff	2,21,700
	<hr/>
	3,17,74,920
<u>Non teaching staff :</u>	
Salary expenses	61,83,545
Provident Fund employer contribution	3,83,592
	<hr/>
	65,67,137
	<hr/>
Total	3,83,42,057
Schedule B: Advertisement expense	
Admission advertisement expense	1,34,192
Advertisement expense	52,758
	<hr/>
Total	1,86,950
Schedule C: Inspection expenses	
Admission regulating authority	50,959
Affiliation and extention fee	6,47,217
Fee regulating authority	35,505
	<hr/>
Total	7,33,681
Schedule D : Bank commission	
Bank commission	3,532
	<hr/>
Total	3,532



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

Schedules to Income and Expenditure Account for the year ended 31 March 2024

	Amount Rs.
Schedule E : Repairs and maintenance	
Building repair and maintenance	3,66,383
Computer consumables	4,65,140
Electrical consumables	1,02,491
Gardening expense	1,16,588
Repairs and maintenance	3,78,705
Total	14,29,307
Schedule F: Student welfare expenses	
I card expense	17,900
Student training program	9,14,122
Examination expenses	72,257
Student transportation	2,78,434
Workshop consumable expense	1,94,057
Youth festival	1,50,112
Sport gymkhana expenses	78,482
Technical event (Kurukshetra)	58,703
Total	17,64,067
Schedule G: Office and administrative expense	
Faculty development programme	2,19,522
Meeting expense	49,178
Newspaper expense	4,161
Office expenses	53,716
Building insurance	2,03,325
Other insurance	21,590
Total	5,51,492
Schedule H: Communication expenses	
Internet expenses	90,990
Postage expenses	1,802
Total	92,792



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

Schedules to Income and Expenditure Account for the year ended 31 March 2024

Schedule I: Honorarium expenses	Amount Rs.
Honorarium	1,14,000
Honorarium to sweepers	1,92,496
Total	<u>3,06,496</u>
Schedule J: Legal and professional fees	
Professional fees	1,500
Training placement charges	15,215
Visiting faculty	7,964
Expert lecture	93,513
EPF consultancy	17,800
Total	<u>1,35,992</u>
Schedule K: Printing and Stationery	
Printing expenses	35,855
Stationery expense	1,19,152
Total	<u>1,55,007</u>
Schedule L: Rental Expense	
House rent expense	6,46,515
Other rent	20,980
Total	<u>6,67,495</u>
Schedule M: Travel and conveyance	
Transport charges	5,550
Travelling expense	1,24,824
Diesel expense	2,42,325
Total	<u>3,72,699</u>



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

Schedules to Income and Expenditure Account for the year ended 31 March 2024

	Amount Rs.
Schedule N: Other expense	
W/I and peon dress	73,182
NAAC expense	1,60,553
Repair and maintainence	53,637
Total	<u>2,87,372</u>
Schedule O: Fees	
Economically backward class scholarship	82,45,550
Tution fee	1,62,72,963
Development fee	44,41,679
Transfer certificate fee	12,600
Arrears amount received	1,39,075
Total	<u>2,91,11,867</u>
Schedule P: Bank interest	
Interest on fixed deposit	3,93,251
Interest on saving account	513
Total	<u>3,93,764</u>
Schedule Q: Other income	
Miscellaneous income	93,080
Total	<u>93,080</u>



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

**Receipt and Payment Account
For the year ended 31 March 2024**

Receipt	Sch	Amount Rs.	Payment	Sch	Amount Rs.
Opening balances	A	60,51,460	Salary expenses	G	3,83,42,057
Fees	B	2,91,11,867	Advertisement Expense	H	1,86,950
Bank interest	C	3,93,764	Inspection Expense	I	7,33,681
Other income	D	93,080	Bank Commission	J	3,532
Inter Unit Advances Accepted	E	1,18,95,828	Repairs and Maintenance	K	14,29,307
Indirect receipts	F	7,83,78,622	Audit fee	-	29,500
Government of India Scholarship	-	1,80,29,409	Electricity Expense	L	3,23,350
			Student Welfare Expense	M	17,64,067
			Office And Administrative Expense	N	5,51,492
			Communication Expense	O	92,792
			Honorarium Expense	P	3,06,496
			Legal and Professional Fees	Q	1,35,992
			Printing And Stationery	R	1,55,007
			Rental Expense	S	6,67,495
			Travel and Coveyance	T	3,72,699
			Other Expense	U	2,87,372
			Purchase of Fixed Asset	W	56,85,237
			Inter Unit Advances Granted/ Repaid	X	39,02,351
			Indirect payments	F	7,73,83,295
			Closing balance	A	1,16,01,358
Total		14,39,54,030	Total		14,39,54,030

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

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

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For Phaltan Education Society's,
College of Engineering

Atul Bhat
Partner
Membership Number : 046333
Date: 26 September 2024
Place: Pune
UDIN : 24046333BKCVC9300



Principal

Date: 26 September 2024
Place: Phaltan

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

Schedules to Receipt and Payment Account for the year ended 31 March 2024

Schedule A : Cash and bank balances	Opening Amount	Closing Amount
Cash in hand	224	8,121
Bank of Maharashtra : 60303101770	17,747	18,241
Shreemant malojiraje co-operative bank : 816001021000442	3,87,106	3,14,427
State bank of India : 31852064758	56,46,383	1,12,60,569
	60,51,460	1,16,01,358

Schedule B : Fees	Amount Rs.
Economically backward class scholarship	82,45,550
Tuition fee	1,62,72,963
Development fee	44,41,679
Transfer certificate fee	12,600
Arrears amount received	1,39,075
Total	2,91,11,867

Schedule C : Bank interest	
Interest on fixed deposit	3,93,251
Bank interest	513
Total	3,93,764

Schedule D : Other income	
Other Income	93,080
Total	93,080

Schedule E : Inter unit advances accepted	
Phaltan Education Society (HO)	1,18,95,828
Total	1,18,95,828



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

Schedules to Receipt and Payment Account for the year ended 31 March 2024

	Amount Rs.	
	Indirect Receipt	Indirect Payment
Schedule F : Indirect receipts and payment		
Loans and advances	82,97,202	52,26,528
Sundry creditors	2,69,402	6,40,911
Sundry Debtors	6,74,35,163	6,81,12,326
Statutory dues	23,76,855	23,04,439
Investment	-	10,99,091
Total	7,83,78,622	7,73,83,295
Schedule G : Salary expenses		Amount Rs.
<u>Teaching staff :</u>		
Salary expenses		3,03,54,326
Provident fund employer contribution		8,01,000
Provident fund admin charges		91,350
Arrears		3,06,544
Incentive to staff		2,21,700
		<u>3,17,74,920</u>
<u>Non teaching staff :</u>		
Salary expenses		61,83,545
Provident Fund employer contribution		3,83,592
		<u>65,67,137</u>
Total		<u>3,83,42,057</u>
Schedule H : Advertisement expense		
Admission advertisement expense		1,34,192
Advertisement expense		52,758
Total		<u>1,86,950</u>
Schedule I : Inspection expenses		
Admission regulating authority		50,959
Affiliation and Extention Fee		6,47,217
Fee regulating authority		35,505
Total		<u>7,33,681</u>



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

Schedules to Receipt and Payment Account for the year ended 31 March 2024

	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	3,66,383
Computer consumables	4,65,140
Electrical consumables	1,02,491
Gardening expense	1,16,588
Repairs and maintenance	3,78,705
Total	<u>14,29,307</u>
Schedule L : Electricity expenses	
Electricity expenses	3,23,350
Total	<u>3,23,350</u>
Schedule M : Student Welfare Expenses	
I card expense	17,900
Student training program	9,14,122
Examination expenses	72,257
Student transportation	2,78,434
Workshop consumable expense	1,94,057
Youth festival	1,50,112
Sport gymkhana expenses	78,482
Technical event (Kurukshetra)	58,703
Total	<u>17,64,067</u>



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

Schedules to Receipt and Payment Account for the year ended 31 March 2024

	Amount Rs.
Schedule N: Office and Administrative Expense	
Faculty development programme	2,19,522
Meeting expense	49,178
Newspaper expense	4,161
Office expenses	53,716
Building insurance	2,03,325
Other insurance	21,590
Total	<u>5,51,492</u>
Schedule O : Communication expenses	
Internet expenses	90,990
Postage expenses	1,802
Total	<u>92,792</u>
Schedule P : Honorarium expense	
Honorarium to others	1,14,000
Honorarium to sweepers	1,92,496
Total	<u>3,06,496</u>
Schedule Q : Legal and Professional Fees	
Professional fees	1,500
Training placement charges	15,215
Visiting faculty	7,964
Expert lecture	93,513
EPF consultancy	17,800
Total	<u>1,35,992</u>
Schedule R : Printing and Stationery	
Printing expenses	35,855
Stationery expense	1,19,152
Total	<u>1,55,007</u>
Schedule S : Rental Expense	
House rent expense	6,46,515
Other rent	20,980
Total	<u>6,67,495</u>



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

Schedules to Receipt and Payment Account for the year ended 31 March 2024

	Amount Rs.
Schedule T: Travelling and Conveyance	
Transport charges	5,550
Travelling expense	1,24,824
Diesel expense	2,42,325
Total	<u>3,72,699</u>
Schedule U: Other Expense	
W/I and peon dress	73,182
NAAC expense	1,60,553
Repair and maintainence	53,637
Total	<u>2,87,372</u>
Schedule W : Purchase of fixed assets	
Furniture	2,44,200
Electrical equipments	2,70,000
Library Books	3,14,297
Software	5,19,200
Solar System	1,50,000
Computer	41,87,540
Total	<u>56,85,237</u>
Schedule X : Inter unit advances granted (net)	
College of Engineering polytechnic	3,40,339
College of Pharmacy	10,62,012
Phaltan Education Society's Sheti Vibhag	25,00,000
Total	<u>39,02,351</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.

