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

**Financial statements for the year ended
31 March 2019 together with the
Independent Auditors' Report**

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 2019 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.

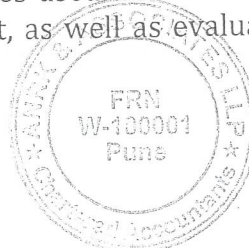
Management's responsibility for the Financial Statements

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.




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

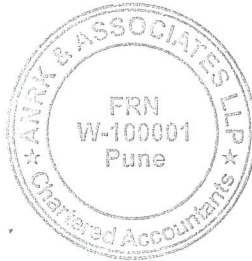
Opinion


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 2019;
- ii. in the case of the Income and Expenditure Account of the deficit for the year ended on that date and
- 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


Atul Bhate
Partner
Place: Pune
Membership Number: 046333
Date: 27 May 2019




Principal
P.E.S's
College of Engineering
Phaltan, Dist. Satara (M.S.)

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

Balance Sheet as at 31 March 2019

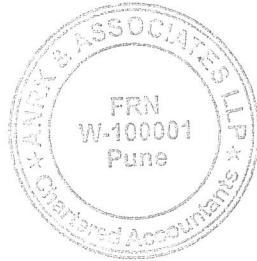
Liabilities	Sch	Amount Rs.	Assets	Sch	Amount Rs.
Funds	A	30,457,264	Fixed Assets	D	56,571,464
Other Liabilities	B	27,980,886	Current Assets	E	17,620,789
Inter Institutional Advances	C	143,883,780	Cash and Bank balances	F	1,316,222
			Investments	G	3,906,448
			Income and Expenditure Account	H	122,907,007
Total		202,321,930	Total		202,321,930

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 Bhate
Partner
Membership Number : 046333

Date: 27 May 2019
Place: Pune



For College of Engineering


Principal
P.E.S's
College of Engineering
Phaltan, Dist. Satara (M.S.)
Date: 27 May 2019
Place: Phaltan

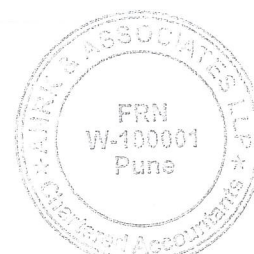
Schedules to the Balance Sheet as at 31 March 2019

Schedule A : Funds

	Balance as at 1 April 2018	Addition Rs.	Balance as at 31 March 2019
Depreciation Fund			
Computer	8,943,359	655,200	9,598,559
Furniture	4,344,781	427,665	4,772,446
Laboratory Equipment	10,333,513	1,620,508	11,954,021
Library Books	3,843,777	174,774	4,018,551
Fire extinguisher	17,690	1,375	19,065
Research lab	19,963	17,966	37,929
Sound System	11,252	875	12,127
Water Purifier	7,595	591	8,186
Xerox Machine	33,756	2,624	36,380
Total	27,555,686	2,901,578	30,457,264

Schedule B : Other Liabilities

	Balance as at 31 March 2019
Audit fees payable	44,280
Gratuity payable	4,441,487
Accrued Tution Fee	3,395,880
Examination Expenses	50,884
GOI scholarship	3,406,455
HTC PTC scholarship	8,000
LIC employees	7,384
Exam clerk work scholarship	1,522
Anup timber	21,144
ARC direct	22,600
Champion Pune sports	38,648
Daily Aikya	(1,000)
EBC	(583,158)
Examination fees	7,730
Gandhi electricals	364,712
Mevalchand udarchand doshi	1,935
Shri datta footwear	6,460
Shri datta footwear	51,955
Lawrence and Mayo Private Limited	2,890
Laxmi Paints & Hardware	160,310
Maharashtra plywood	9,629
RM Patel & Company	1,571
New padmavati hardware	199,626
Nex robotics	1,486
Phaltan Graphics	40,741
Scientech	1,570
Shreemant nirmaladevi mudran	2,650
Shri datta electricals	71,685
Shri furniture	(33)
Skyfi Lab	2,490,000
Spectra point	(12,500)
Sujay B Chavan	12,828
Swati enterprises	216,391
Teacher and Student co-operative store	1,198,548
Vaibhav book center	270
Vansare telecom	813,640
Vision E solutions	6,500
V Net Enterprises	11,294,330
Institutional non-grant salary	181,836
Exam expenses receivable	
Total	27,980,886



Schedules to the Balance Sheet as at 31 March 2019

Schedule C : Inter Institutional Advances

	Balance as at 31 March 2019
College of Engineering Polytechnic	(333,606)
College of Agriculture, Phaltan	5,000,000
Malojiraje Sheti Vidyalaya Junior College Kayam non grant	1,000,000
Malojiraje Sheti Vidyalay MCVC (Vocational)	1,500,000
Mudhoji High School and Junior College non grant division	1,000,000
Phaltan Education Society's Sheti Vibhag	100,000
Phaltan Education Society	108,244,696
School of nursing	500,000
Shrimant Shivajiraje College of Horticulture	2,600,000
YCMOU Sheti Shala	170,000
Phaltan Education Society - Other Nursery Units	16,075,290
Phaltan Education Society - Production Unit	8,027,400
Total	143,883,780

Schedule D : Fixed Assets

	Balance as at 01 April 2018	Additions Rs.	Deletions Rs.	Balance as at 31 March 2019
Computer	12,617,313	2,878,042	-	15,495,355
Furniture	8,449,743	171,685	-	8,621,428
Laboratory Equipment	26,077,880	460,714	-	26,538,594
Library Books	5,274,458	317,059	-	5,591,517
Fire extinguisher	31,444	-	-	31,444
Research lab	199,626	-	-	199,626
Sound System	20,000	-	-	20,000
Water Purifier	13,500	-	-	13,500
Xerox Machine	60,000	-	-	60,000
Total	52,743,964	3,827,500	-	56,571,464

Schedule E: Current Assets

1: Advances to employees

Total

20,054

20,054

2: Deposits

MSEB Deposit
Security Deposit

189,945

3,500,000

3,689,945

3: Fee Receivable

Balance as per last balance sheet
Add: Receivable during the year
Less: Received during the year

16,676,929

20,665,169

(24,519,111)

12,822,987

Total

4: Interest accrued on fixed deposit

Balance as per last balance sheet
Add: Accrued for the year
Less: Received during the year

755,041

332,762

1,087,803

Total

Total (1+2+3+4)

17,620,789



Kan Education Society's
College of Engineering

Schedules to the Balance Sheet as at 31 March 2019

Schedule F: Cash and Bank balances

Balance as at
31 March 2019

Cash	1,405
ICICI Bank	150,734
Malojiraje Co-op Bank 442	737,567
State Bank of India	425,512
Bank of Maharashtra	1,004
Total	1,316,222

Schedule G: Investments

Fixed deposits	3,906,448
Total	3,906,448

Schedule H: Income and Expenditure Account

Balance as per last balance sheet	97,886,449
Add: Deficit for the year	25,020,558
Total	122,907,007




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

Income and Expenditure Account
For the year ended 31 March 2019

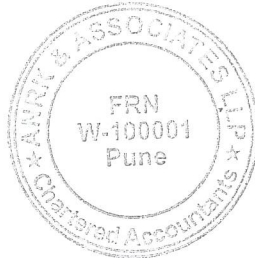
Expenditure	Sch	Amount Rs.	Income	Sch	Amount Rs.
Salary and allowances	D	37,705,424	Tuition fee	A	20,437,784
Administrative expenses	F	5,246,004	Other income	B	452,817
Audit fee		51,922	Deficit for the year		25,020,558
Bank charges		6,231			
Depreciation	E	2,901,578			
Total		<u>45,911,159</u>	Total		<u>45,911,159</u>

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


For ANRK & Associates LLP
Chartered Accountants


Atul Bhate
Partner
Membership Number : 046333

Date: 27 May 2019
Place: Pune



For College of Engineering


Principal
P.E.S's
College of Engineering
Phaltan Dist Satara (M.S.)
Date: 27 May 2019
Place: Phaltan

Phaltan Education Society's
College of Engineering

Schedules to Income & Expenditure Account
For the year ended 31 March 2019

Schedule A : Tuition fees	Amount Rs.
Tuition Fees received	20,565,329
Add : Tuition fee received in advance	-
Less : Tuition Fees Arrears	(127,545)
Total	20,437,784

Schedule B : Other income	Amount Rs.
Bonafide Fees	19,930
Library Card	2,800
Interest Accrued on Fixed Deposit	332,762
Bank Interest	10,425
TC Fees	12,000
Consultancy Charges	29,900
Website Design fees	45,000
Total	452,817

Schedule D : Salaries and Wages	Amount Rs.
Salary to teaching staff	29,670,769
Salary to Non Teaching Staff	6,335,264
Payment to Visiting Faculty	59,360
Provident fund Employer non teaching	351,000
Provident fund employer teaching	817,200
Provident fund damages	367,040
Provident fund administration charges	104,791
Total	37,705,424

Schedule E: Depreciation

Depreciation Fund	Balance as at 1 April 2018	Addition Rs.	Balance as at 31 March 2019
Computer	8,943,359	655,200	9,598,559
Furniture	4,344,781	427,665	4,772,446
Laboratory Equipment	10,333,513	1,620,508	11,954,021
Library Books	3,843,777	174,774	4,018,551
Fire extinguisher	17,690	1,375	19,065
Research lab	19,963	17,966	37,929
Sound System	11,252	875	12,127
Water Purifier	7,595	591	8,186
Xerox Machine	33,756	2,624	36,380
Total	27,555,686	2,901,578	30,457,264



Phaltan Education Society's
College of Engineering

Schedules to Income & Expenditure Account
For the year ended 31 March 2019

Schedule F: Administrative expenses

Amount Rs.

Admission regulating authority	43,240
Advertisement Expenses	36,800
Affiliation and Extension Fee	588,047
Ashwamedh Fees	11,221
Balances written off	306
Building Repairing & Maintaince	795,254
Computer Consumable	180,103
Diesel Expenses	4,000
Electrical Consumables	2,650
Electricity Charges	454,860
E-Suvidha SUK	11,450
Examination expenses	420,700
Gardening Expenses	21,180
I Cards	8,000
Internet Expenses	58,500
Kailash Foot wear	26,324
Kurukshetra event expenses	30,399
Lab consumables	98,285
Lift Maintenance expenses	28,000
Lead College Fee	15,000
Meeting Expenses	4,200
NAAC Accreditation	283,352
NAAC Expenses	20,296
NAAC Fees	221,250
News Paper Bill	5,741
N S S Camp	9,000
Office Expenses	87,026
Postage Expenses	2,275
Practical Expenses	71,106
Printing and Stationary expenses	75,938
Pro-Data Sport Contribution	1,680
Repairs and Maintenance	17,590
Sanitation Expenses	40,448
Sport Gymkhana Expenses	34,870
Staff Training Programm	1,000
Stationary Expenses	236,259
Student Transportation	230,000
Student training expenses	(70,239)
Teacher training programme	68,130
W/I and Peon Dress	28,655
Transport Charges	11,620
Travelling Expenses	179,546
Workshop tools	580
Workshop Consumable Expenses	723,636
WorkShop Maintaince Expenses	6,697
Youth Festival	121,029

Total

5,246,004



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

Statement of Receipts and Payments
For the year ended 31 March 2019

Receipts		Amount Rs.	Payments	Sch	Amount Rs.
Opening balances	A	1,233,523	Indirect payments	B	49,517,397
Indirect receipts	B	54,425,235	Purchases of fixed asset	F	3,827,500
Inter institutional advances	C	50,888,377	Inter institutional advances	C	29,767,036
Fees	D	20,437,784	Salary and allowances	G	37,705,424
Other income	E	452,817	Administrative expenses	H	5,246,004
			Audit fee		51,922
			Bank charges		6,231
			Closing balances	A	1,316,222
Total		127,437,736	Total		127,437,736

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 Bhate
Partner
Membership Number : 046333

Date: 27 May 2019
Place: Pune



For College of Engineering


Principal
PES's
College of Engineering
Phaltan, Dist. Satara (M.S.)

Date: 27 May 2019
Place: Phaltan

Schedules to the receipt and payments
For the year ended 31 March 2019

Schedule A : Opening and closing balances:	Balance as at 1 April 2018	Balance as at 31 March 2019
Cash	678	1,405
ICICI Bank	360,395	150,734
Malojiraje Co-op Bank 442	62,549	737,567
State Bank of India	808,897	425,512
Bank of Maharashtra	1,004	1,004
Total	1,233,523	1,316,222

Schedule B : Indirect receipts and payments	Receipts Rs	Payments Rs
LIC of employees	45,776	38,086
GOI Scholarship	15,389,526	14,441,450
HTC PTC Scholarship	-	4,000
EBC Scholarship	5,384,987	5,968,145
Professional tax	133,500	133,500
Provident fund non-teaching employee contribution	351,000	351,000
Provident fund teaching employee contribution	817,200	817,200
Other creditors	5,041,789	4,195,199
Income tax	2,327,340	2,327,338
Advance to employees	233,170	243,548
Sundry debtors for tuition fees	24,519,111	20,665,169
Exam expenses receivable	181,836	-
Interest Accrued on fixed deposits	-	332,762
Total	54,425,235	49,517,397

Schedule C : Inter institutional Advances	Receipts Rs	Payments Rs
College of Engineering Polytechnic	8,009,587	1,664,346
PES Other Nursery Units (Consolidated)	16,075,290	-
PES Production Unit	8,027,400	-
Phaltan Education Society	18,776,100	28,102,690
Total	50,888,377	29,767,036

Schedule D : Tuition fees	Amount Rs.
Tuition Fees received	20,565,329
Add : Tuition fee received in advance	-
Less : Tuition Fees Arrears	(127,545)
Total	20,437,784

Schedule E : Other income	Amount Rs.
Bonafide Fees	19,930
Library Card	2,800
TC Fees	12,000
Consultancy Charges	29,900
Interest Accrued on Fixed Deposit	332,762
Bank Interest	10,425
Website Design fees	45,000
Total	452,817

Schedule F : Purchases of Fixed Asset	Amount Rs.
Computer	2,878,042
Laboratory Equipment	460,714
Library Books	317,059
Furniture	171,685
Total	3,827,500



Schedules to the receipt and payments
For the year ended 31 March 2019

Schedule G : Salaries and Wages

	Amount Rs.
Salary to teaching staff	
Salary to Non Teaching Staff	29,670,769
Payment to Visiting Faculty	6,335,264
Provident fund Employer non teaching	59,360
Provident fund employer teaching	351,000
Provident fund damages	817,200
Provident fund administration charges	367,040
	104,791
Total	37,705,424

Schedule H : Administrative expenses

	Amount Rs.
Admission regulating authority	
Advertisement Expenses	43,240
Affiliation and Extension Fee	36,800
Ashwamedh Fees	588,047
Balances written off	11,221
Building Repairing & Maintenance	306
Computer Consumable	795,254
Diesel Expenses	180,103
Electrical Consumables	4,000
Electricity Charges	2,650
E-Suvidha SUK	454,860
Examination expenses	11,450
Gardening Expenses	420,700
Id Cards	21,180
Internet Expenses	8,000
Kailash Foot wear	58,500
Kurukshetra event expenses	26,324
Lab consumables	30,399
Lift Maintenance expenses	98,285
Lead College Fee	28,000
Meeting Expenses	15,000
NAAC Accreditation	4,200
NAAC Expenses	283,352
NAAC Fees	20,296
News Paper Bill	221,250
N S S Camp	5,741
Office Expenses	9,000
Postage Expenses	87,026
Practical Expenses	2,275
Printing and Stationary expenses	71,106
Pro-Data Sport Contribution	75,938
Repairs and Maintenance	1,680
Sanitation Expenses	17,590
Sport Gymkhana Expenses	40,448
Staff Training Programm	34,870
Stationary Expenses	1,000
Student Transportation	236,259
Student training expenses	230,000
Teacher training programme	(70,239)
W/I and Peon Dress	68,130
Transport Charges	28,655
Travelling Expenses	11,620
Workshop tools	179,546
Workshop Consumable Expenses	580
WorkShop Maintenance Expenses	723,636
Youth Festival	6,697
	121,029
Total	5,246,004



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.

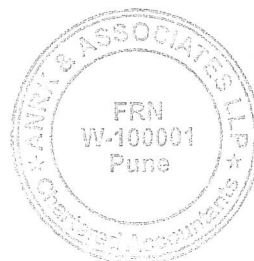
1.1 Revenue recognition

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.

