

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

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

**Auditors' Report**

To the Management of

**Phaltan Education Society's College of Engineering Polytechnic****Report on the Financial Statements**

We have audited the accompanying financial statements of the College of Engineering Polytechnic ('Unit) which is a Unit of the **Phaltan Education Society** ("the Trust") which comprise the Balance Sheet as at 31 March 2020 and the Income and Expenditure Account 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 Polytechnic  
Auditors' 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 : 2135735AAAASK6945**






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

**Balance Sheet as at 31 March 2020**

Liabilities	Sch	Amount Rs.	Assets	Sch	Amount Rs.
Earmarked funds	A	60,45,513	Furniture and fixtures	G	11,56,059
Employee dues payable	B	13,11,696	Other fixed assets	H	1,33,22,334
Statutory dues payable	C	2,02,885	Investments	I	15,17,687
Inter unit advances accepted	D	4,98,75,276	Fee receivables	J	53,08,963
Short term provisions	E	8,06,345	Loans and advances	K	9,000
Trade payables	F	19,99,211	Cash and bank balances	L	2,58,338
			Income and expenditure account	M	3,86,68,545
<b>Total</b>		<b><u>6,02,40,926</u></b>	<b>Total</b>		<b><u>6,02,40,926</u></b>

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

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



Abhijit Jadhav  
Partner  
Membership Number : 135735



Date: 25 November 2020  
Place: Pune  
UDIN : 20135735AAAASK6945

For College of Engineering Polytechnic



Principal

Date: 25 November 2020  
Place: Phaltan

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

**Schedule to the Balance Sheet as at 31 March 2020**

		Balance as at 31 March 2020
<b>Schedule A: Earmarked funds</b>		
<b>Depreciation fund</b>		
Balance as per last year balance sheet	51,08,526	
Add: Depreciation for the year	<u>9,36,987</u>	60,45,513
<b>Total</b>		<u><u>60,45,513</u></u>
<b>Schedule B : Employee dues payable</b>		
Salary payable		13,11,696
<b>Total</b>		<u><u>13,11,696</u></u>
<b>Schedule C : Statutory dues payable</b>		
Income tax payable		88,885
Provident fund Employee contribution payable		
a. Teaching	23,400	
b. Non teaching	<u>30,600</u>	54,000
Provident fund Employer contribution payable		
a. Teaching	30,600	
b. Non teaching	<u>23,400</u>	54,000
Professional tax payable		6,000
<b>Total</b>		<u><u>2,02,885</u></u>
<b>Schedule D : Inter unit advances accepted</b>		
College of Engineering		3,32,299
Phaltan Education Society (HO)		2,88,06,839
Maloji Raje Sheti Vidyalay & Jr. College Kayam non-grant		25,00,000
Phaltan Education Society's Production Centre		13,55,000
Phaltan Education Society's other nursery units (consolidated)		1,33,81,138
Shrimant Shivajiraje College of Horticulture		25,00,000
Siddhanath High school, Mhaswad, Non grant		10,00,000
<b>Total</b>		<u><u>4,98,75,276</u></u>
<b>Schedule E : Short term provisions</b>		
Gratuity payable		8,06,345
<b>Total</b>		<u><u>8,06,345</u></u>



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

**Schedule to the Balance Sheet as at 31 March 2020**

**Schedule F : Trade payables**

**Balance as at  
31 March 2020**

Spectra Point	12,48,000
Vaibhav book house private limited	6,67,023
Gandhi Electricals	12,028
Apex enterprise	13,216
Hindustan hardware	6,231
Shreemant nirmala devi mudran sanstha	33,547
Shree raj computers	1,150
College of engineering teacher student cooperative store	18,016

<b>Total</b>	<b>19,99,211</b>
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**Schedule G : Furniture and fixtures**

**Balance as at  
1 April 2019**

**Additions**

**Deletions**

**Balance as at  
31 March 2020**

Furniture	11,56,059	-	-	11,56,059
<b>Total</b>	<b>11,56,059</b>	<b>-</b>	<b>-</b>	<b>11,56,059</b>

**Schedule H : Other fixed assets**

**Balance as at  
1 April 2019**

**Additions**

**Deletions**

**Balance as at  
31 March 2020**

Computer	44,18,590	1,83,000	-	46,01,590
Laboratory Equipment	51,59,028	-	-	51,59,028
Library Books	16,05,391	1,13,325	-	17,18,716
Fire systems	18,43,000	-	-	18,43,000
<b>Total</b>	<b>1,30,26,009</b>	<b>2,96,325</b>	<b>-</b>	<b>1,33,22,334</b>

**Schedule I : Investments**

Fixed deposits	9,00,000
Interest receivable on fixed deposit	6,17,687

<b>Total</b>	<b>15,17,687</b>
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**Schedule J : Fee receivables**

Balance as per last balance sheet	60,59,822
Add: Receivable during the year	1,25,00,075
Less: Received during the year	(1,32,50,934)

<b>Total</b>	<b>53,08,963</b>
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**Phaltan Education Society's  
College of Engineering Polytechnic**

**Schedule to the Balance Sheet as at 31 March 2020**

**Schedule K : Loans and advances**

**Balance as at  
31 March 2020**

Hendre Sandip ramchandra	3,000
Shaikh sabana pharukh	6,000
<b>Total</b>	<b>9,000</b>

**Schedule L : Cash and Bank balances**

Cash in hand	8,177
Shreemant malojiraje co-operativa bank : 816001021000532	2,50,161
<b>Total</b>	<b>2,58,338</b>

**Schedule M : Income and expenditure account**

Balance as per last balance sheet	2,72,63,755	
Add: Deficit for the year	1,14,04,790	3,86,68,545
<b>Total</b>		<b>3,86,68,545</b>





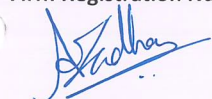
**Phaltan Education Society  
College of Engineering Polytechnic  
Phaltan, District- Satara**

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

Expenditure	Sch	Amount Rs.	Income	Sch	Amount Rs.
Salary expenses	A	2,09,05,331	Fees	H	1,25,00,075
Advertisement expenses	-	50,990	Bank interest	I	1,28,905
Audit fee	-	43,643	Other income	J	95,509
Bank commission	-	1,083	Balance written back	-	2,52,675
Depreciation	-	9,36,987	Deficit for the year		1,14,04,790
Office and administration expenses	B	2,95,577			
Printing and stationery expenses	C	67,809			
Repairs and maintenance	D	7,64,046			
Student welfare expenses	E	3,64,678			
Inspection expenses	F	42,035			
Operational expenses	G	9,09,775			
<b>Total</b>		<b>2,43,81,953</b>	<b>Total</b>		<b>2,43,81,953</b>

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

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



Abhijit Jadhav  
Partner  
Membership Number : 135735



For College of Engineering Polytechnic



Principal

Date: 25 November 2020  
Place: Pune  
UDIN : 20135735AAAASK6945

Date: 25 November 2020  
Place: Phaltan



Phaltan Education Society's  
College of Engineering Polytechnic

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	1,51,33,992
Provident Fund employer contribution	4,42,800
Provident Fund admin charges	58,200

1,56,34,992

Non teaching staff :

Salary expenses	49,49,489
Provident Fund employer contribution	3,16,800

52,66,289

Others :

Staff payment	4,050
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4,050

**Total**

**2,09,05,331**

Schedule B : Office and administration expenses

Exam expenses (net)	1,00,517
Meeting expenses	5,508
Newspaper and periodicals	2,287
Office expenses	32,533
Transport expenses	2,650
Traveling expenses	64,699
Sanitation expenses	56,997
Teacher training program	29,220
Chequebook charges	1,166

**Total**

**2,95,577**

Schedule C : Printing and stationery expenses

Postage expenses	1,039
Printing expenses	33,547
Stationery expenses	33,223

**Total**

**67,809**



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

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

**Schedule D : Repairs and maintenance**

**Amount Rs.**

Repairs and maintenance

a. Building

6,74,474

b. Other

89,572

7,64,046

**Total**

**7,64,046**

**Schedule E : Student welfare expenses**

Career fair program

1,14,733

I cards

6,080

NBA registration expenses

41,300

Practical expenses

17,582

Sport expenses

21,206

Sport material

71,354

Student transportation

12,960

Student training program

2,910

Youth festival

76,553

**Total**

**3,64,678**

**Schedule F : Inspection expenses**

Affiliation and extension fee

30,000

Association of management

12,035

**Total**

**42,035**

**Schedule G : Operational expenses**

Diesel expenses

36,552

Enrolment fees

33,390

Internet charges

19,497

Gardening expenses

1,01,024

Kurushetra expenses

77,573

Pro rata fee

8,135

Workshop consumables

6,33,604

**Total**

**9,09,775**

**Schedule H : Fees**

Tuition fees

1,25,00,075

**Total**

**1,25,00,075**



Phaltan Education Society's  
College of Engineering Polytechnic

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

Schedule I : Bank interest

Amount Rs.

Interest on fixed deposit

1,28,905

Total

1,28,905

Schedule J : Other income

Earlier year Professional tax

20,906✓

Lab manual

52,000

Leaving certificate fee

11,600

Other income

11,003✓

Total

95,509





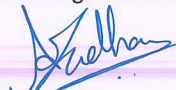
**Phaltan Education Society  
College of Engineering Polytechnic  
Phaltan, District- Satara**

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

Receipts	Sch	Amount Rs.	Payments	Sch	Amount Rs.
Opening balances	A	5,02,574	Salary expenses	F	1,77,64,550
Fees	B	1,32,50,934	Advertisement expenses	-	50,990
Other income	C	95,509	Audit fee	-	43,643
Inter unit advances accepted	D	1,91,51,521	Bank commission	-	1,083
Indirect receipts	E	2,19,98,438	Office and administration expenses	G	2,95,577
			Printing and stationery expenses	H	67,809
			Repairs and maintenance	I	7,64,046
			Student welfare expenses	J	3,64,678
			Inspection expenses	K	42,035
			Operational expenses	L	9,09,775
			Purchase of fixed assets	M	2,96,325
			Inter unit advances granted	E	86,89,227
			Indirect payments	E	2,54,50,901
			Closing Balances	A	2,58,338
<b>Total</b>		<b>5,49,98,976</b>	<b>Total</b>		<b>5,49,98,976</b>

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

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



Abhijit Jadhav  
Partner  
Membership Number : 135735



Date: 25 November 2020  
Place: Pune  
UDIN : 20135735AAAASK6945

For College of Engineering Polytechnic



Principal

Date: 25 November 2020  
Place: Phaltan

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

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

<b>Schedule A : Opening and closing balances</b>	<b>Balance as at 1 April 2019</b>	<b>Balance as at 31 March 2020</b>
Cash on hand	334	8,177
Shrimant Malojiraje Co-operative Society : 8106001021000532	5,02,240	2,50,161
<b>Total</b>	<b>5,02,574</b>	<b>2,58,338</b>
<b>Schedule B : Fees</b>		
Tuition fees		1,32,50,934
<b>Total</b>		<b>1,32,50,934</b>
<b>Schedule C : Other income</b>		
Earlier year Professional tax		20,906
Lab manual		52,000
Leaving certificate fee		11,600
Other income		11,003
<b>Total</b>		<b>95,509</b>
<b>Schedule D : Inter unit advances accepted/granted</b>	<b>Receipts Rs</b>	<b>Payments Rs</b>
College of engineering	86,87,921	86,89,227
Phaltan Education Society (HO)	1,04,63,600	-
<b>Total</b>	<b>1,91,51,521</b>	<b>86,89,227</b>



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

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

**Schedule E : Indirect receipts and payments**

	Receipts Rs	Payments Rs
Trade payables	2,91,457	2,70,859
Bit Electronics System	-	36,396
Champoin Soprts, Pune	61,604	61,604
Cummins India Scholarship	1,89,296	1,89,296
Daily Aikya	2,000	2,000
Economic backward Scholarship	20,75,677	20,75,676
Income Tax	-	8,91,680
Laxmi Paints & Hardware	37,130	37,130
Life insurance premium Employees	-	7,956
Mehta Book & Sallers	1,13,325	1,13,325
M/s R. M. Patel & Co.	3,04,084	3,04,084
Provident fund Employees Non Teaching	-	2,93,400
Provident fund employees teaching	-	4,12,200
Provident fund employer Contribution Payable Teaching	30,600	-
Provident fund employer COntribution Payable Non Teaching	23,400	-
Phaltan Graphics Digital	11,746	11,746
Professional Tax	-	83,200
Sakal Paper Pvt. Ltd.	19,866	19,866
Salary Payable	-	-
Shree Bhagwan Saw Mill	1,40,937	1,40,937
Shreemant Nirmaladevi Mudran	33,547	-
Sun Graphics, Phaltan	30,960	30,960
Teacher Co-Oprative Store	33,223	-
Techno Field Solution	-	96,323
Unity Oil and Transport	24,408	24,408
Vanarse Telecom	27,499	27,499
Vishwajeet Infoworld	2,000	2,000
Vision E-Solution Services	2,03,850	15,07,850
V Net Enterprises Pvt. Ltd.	19,497	19,497
Loans and advances	2,04,770	1,75,500
Sundry debtors	1,81,17,562	1,86,15,509
<b>Total</b>	<b>2,19,98,438</b>	<b>2,54,50,901</b>





Phaltan Education Society's  
College of Engineering Polytechnic

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

Schedule F : Salary expenses

Amount Rs.

Teaching staff :

Salary expenses	1,20,36,491
Provident Fund employer contribution	4,42,800
Provident Fund admin charges	58,200

1,25,37,491

Non teaching staff :

Salary expenses	49,06,209
Provident Fund employer contribution	3,16,800

52,23,009

Others :

Staff payment	4,050
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4,050

**Total**

1,77,64,550

Schedule G : Office and administration expenses

Exam expenses (net)	1,00,517
Meeting expenses	5,508
Newspaper and periodicals	2,287
Office expenses	32,533
Transport expenses	2,650
Traveling expenses	64,699
Sanitation expenses	56,997
Teacher training program	29,220
Chequebook charges	1,166

**Total**

2,95,577

Schedule H : Printing and stationery expenses

Postage expenses	1,039
Printing expenses	33,547
Stationery expenses	33,223

**Total**

67,809



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

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

<b>Schedule I : Repairs and maintenance</b>		<b>Amount Rs.</b>
Repairs and maintenance		
a. Building	6,74,474	
b. Other	89,572	7,64,046
<b>Total</b>		<b>7,64,046</b>

**Schedule J : Student welfare expenses**

Career fair program	1,14,733
I cards	6,080
NBA registration expenses	41,300
Practical expenses	17,582
Sport expenses	21,206
Sport material	71,354
Student transportation	12,960
Student training program	2,910
Youth festival	76,553
<b>Total</b>	<b>3,64,678</b>

**Schedule K : Inspection expenses**

Affiliation and extension fee	30,000
Association of management	12,035
<b>Total</b>	<b>42,035</b>

**Schedule L : Operational expenses**

Diesel expenses	36,552
Enrolment fees	33,390
Internet charges	19,497
Gardening expenses	1,01,024
Kurushetra expenses	77,573
Pro rata fee	8,135
Workshop consumables	6,33,604
<b>Total</b>	<b>9,09,775</b>

**Schedule M : Purchase of fixed assets**

Computer	1,83,000
Library books	1,13,325
<b>Total</b>	<b>2,96,325</b>





## **Overview**

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

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

### **1. Significant accounting policies**

#### **Basis for preparation of financial statements**

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

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

#### **Use of estimates**

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

### **1.1 Revenue recognition**

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

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

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

Interest income is recognized on time proportion basis





## 1.7 Employee benefits

### i) Post-employment benefit plans

#### Defined benefit plan

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

#### Defined contribution plan

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

## 1.8 Accounting for taxes on income

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

## 1.9 Provisions, Contingent liabilities and Contingent assets

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

No provision is recognized for –

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

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

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

## 2. Other notes to the financial statements

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

