

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

**Financial statements for the year
ended 31 March 2021 together with
the Independent Auditors' Report**

Independent Auditors' Report

To the Management of

Phaltan Education Society's College of Engineering Polytechnic

Opinion

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 2021, 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 2021;
- 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 Polytechnic
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.



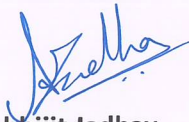
**Phaltan Education Society's College of Engineering Polytechnic
Independent Auditors' Report (continued)**

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**



**Abhijit Jadhav
Partner**

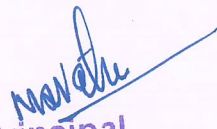
Place: Pune

Membership Number: 135735

Date: 24 January 2022

UDIN: 22135735AAAADP4299




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

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

Balance Sheet as at 31 March 2021

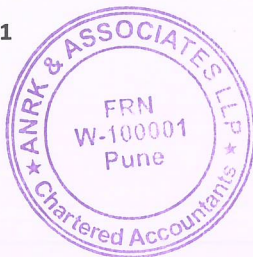
Liabilities	Sch	Amount Rs.	Assets	Sch	Amount Rs.
Earmarked funds	A	68,91,320	Furniture and fixtures	G	11,56,059
Statutory dues payable	B	1,93,070	Other fixed assets	H	1,33,47,527
Inter unit advances accepted	C	6,57,89,751	Investments	I	16,46,330
Short term provisions	D	8,06,345	Fee receivables	J	1,47,02,223
Trade payables	E	19,89,940	Loans and advances	K	2,01,040
Grant received in advance	F	33,000	Other assets	L	1,80,741
			Cash and bank balances	M	19,01,748
			Income and expenditure account	N	4,25,67,757
Total		7,57,03,426	Total		7,57,03,426

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

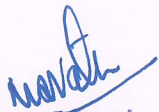
Membership Number : 135735
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For Phaltan Education Society's
College of Engineering Polytechnic

Principal

Date: 24 January 2022
Place: Phaltan


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

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

Schedule to the Balance Sheet as at 31 March 2021

		Balance as at 31 March 2021
Schedule A: Earmarked funds		
Depreciation fund		
Balance as per last year balance sheet	60,45,513	
Add: Depreciation for the year	<u>8,45,807</u>	68,91,320
Total		<u><u>68,91,320</u></u>
Schedule B : Statutory dues payable		
Income tax payable		82,870
Provident fund Employee contribution payable		
a. Teaching	25,200	
b. Non teaching	<u>27,000</u>	52,200
Provident fund Employer contribution payable		
a. Teaching	25,200	
b. Non teaching	<u>27,000</u>	52,200
Professional tax payable		5,800
Total		<u><u>1,93,070</u></u>
Schedule C : Inter unit advances accepted		
College of Engineering		10,27,460
Phaltan Education Society (HO)		4,40,26,153
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
Total		<u><u>6,57,89,751</u></u>
Schedule D : Short term provisions		
Gratuity payable		8,06,345
Total		<u><u>8,06,345</u></u>



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

Schedule to the Balance Sheet as at 31 March 2021

Schedule E : Trade payables	Balance as at 31 March 2021
Vaibhav book house private limited	6,67,023
Spectra Point	12,48,000
Gandhi Electricals	14,078
Bharat plywood	10,360
Daily Aikya	3,780
Laxmi paints and hardware	2,985
Mehta book and sellers	25,204
Shree bhagwan saw mill	1,510
Phadatare Mahadeo K	17,000
Total	19,89,940

Schedule F : Grant received in advance

Directorate of Technical Education Maharashtra	33,000
Total	33,000

Schedule G : Furniture and fixtures	Balance as at 1 April 2020	Additions	Deletions	Balance as at 31 March 2021
Furniture	11,56,059	-	-	11,56,059
Total	11,56,059	-	-	11,56,059

Schedule H : Other fixed assets	Balance as at 1 April 2020	Additions	Deletions	Balance as at 31 March 2021
Computer	46,01,590	-	-	46,01,590
Laboratory Equipment	51,59,028	-	-	51,59,028
Library Books	17,18,716	25,193	-	17,43,909
Fire systems	18,43,000	-	-	18,43,000
Total	1,33,22,334	25,193	-	1,33,47,527

Schedule I : Investments

Fixed deposits	9,00,000
Interest receivable on fixed deposit	7,46,330
Total	16,46,330

Schedule J : Fee receivables

Balance as per last balance sheet	53,08,963
Add: Receivable during the year	1,85,34,101
Less: Received during the year	(91,40,841)
Total	1,47,02,223



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

Schedule to the Balance Sheet as at 31 March 2021

		Balance as at 31 March 2021
Schedule K : Loans and advances		
Advance to staff		2,01,040
Total		2,01,040
Schedule L : Other assets		
Pradhan Mantri Kaushal Vikas Yojana scheme		95,331
University exam fee receivable		83,010
Professional tax recoverable		2,400
Total		1,80,741
Schedule M : Cash and Bank balances		
Cash in hand		17
Shreemant malojiraje co-operativa bank : 816001021000532		18,05,692
ICICI Bank : 645201050652		96,039
Total		19,01,748
Schedule N : Income and expenditure account		
Balance as per last balance sheet	3,86,68,545	
Add: Deficit for the year	<u>38,99,212</u>	4,25,67,757
Total		4,25,67,757



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

**Income and Expenditure Account
For the year ended 31 March 2021**

Expenditure	Sch	Amount Rs.	Income	Sch	Amount Rs.
Salary expenses	A	1,79,65,861	Fees	K	1,52,56,011
Advertisement expenses	-	14,387	Bank interest	L	1,41,953
Audit fee	-	26,178	Other income	M	15,510
Bank commission	-	514	Balance written back	-	2,42,334
Depreciation	-	8,45,807	Deficit for the year	-	38,99,212
Honorarium expenses	-	22,000			
Rental expenses	-	30,000			
Travelling and conveyance	-	66,350			
Balance written off	-	30,398			
Office and administration expenses	B	20,577			
Printing and stationery expenses	C	74,205			
Repairs and maintenance	D	1,63,328			
Student welfare expenses	E	67,808			
Inspection expenses	F	30,000			
Legal and professional fees	G	6,895			
Operational expenses	H	1,57,275			
Communication expenses	I	26,037			
Rates and taxes	J	7,400			
Total		1,95,55,020	Total		1,95,55,020

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

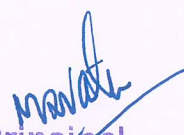
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For Phaltan Education Society's
College of Engineering Polytechnic

Principal

Date: 24 January 2022
Place: Phaltan


Principal
P.E.S's
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**Phaltan Education Society's
College of Engineering Polytechnic**

**Schedules to the statement of Income and Expenditure
For the year ended 31 March 2021**

Schedule A : Salary expenses

Amount Rs.

Teaching staff :

Salary expenses	1,23,52,032
Provident Fund employer contribution	3,52,800
Provident Fund admin charges	53,550

1,27,58,382

Non teaching staff :

Salary expenses	49,19,479
Provident Fund employer contribution	2,88,000

52,07,479

Total

1,79,65,861

Schedule B : Office and administration expenses

Meeting expenses	4,230
Office expenses	16,347

Total

20,577

Schedule C : Printing and stationery expenses

Printing expenses	11,277
Stationery expenses	62,928

Total

74,205



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

**Schedules to the statement of Income and Expenditure
For the year ended 31 March 2021**

Schedule D : Repairs and maintenance

Amount Rs.

Repairs and maintenance

a. Building

2,050

b. Other

1,04,278

1,06,328

Sanitation workers salary

57,000

Total

1,63,328

Schedule E : Student welfare expenses

Drivers salary

25,410

Practical expenses

14,855

Sport expenses

7,207

Youth festival expenses

20,336

Total

67,808

Schedule F : Inspection expenses

Affiliation and extension fee

30,000

Total

30,000

Schedule G : Legal and professional fee

Professional fee

6,895

Total

6,895

Schedule H : Operational expenses

Insurance charges

57,797

Gardening expenses

78,899

Workshop consumables

20,579

Total

1,57,275

Schedule I : Communication expenses

Postage expenses

41

Internet charges

25,996

Total

26,037



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

**Schedules to the statement of Income and Expenditure
For the year ended 31 March 2021**

Schedule J : Rates and taxes **Amount Rs.**

Eligibility 7,400

Total **7,400**

Schedule K : Fees

Tuition fees 1,52,56,011

Total **1,52,56,011**

Schedule L : Bank interest

Interest on fixed deposit 1,39,074

Bank interest 2,879

Total **1,41,953**

Schedule M : Other income

Website design 12,000

Lab manual 1,700

Other income 1,810

Total **15,510**



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.



1.2 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	10%

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

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.

