

24-22

13/04/2021  
90%

---

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

---

**Financial statements for the year  
ended 31 March 2022 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 2022, 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 2022;
- 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.

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




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

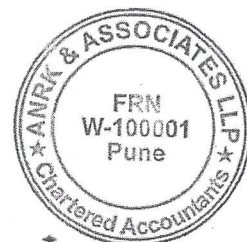
**Auditor's responsibilities for the audit of Financial Statements**

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.

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



**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**

**JADHAV  
ABHIJIT  
MOHAN**

Digitally signed by  
JADHAV ABHIJIT  
MOHAN  
Date: 2022.09.07  
21:58:26 +05'30'

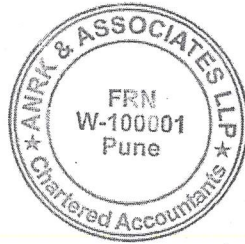
**Abhijit Jadhav  
Partner**

**Place: Pune**

**Membership Number: 135735**

**Date: 7 September 2022**

**UDIN: 22135735ARFOME4239**



  
**Principal  
P.T.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 2022**

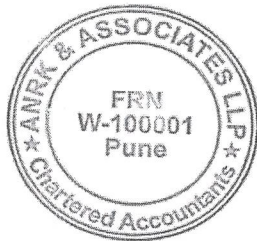
Liabilities	Sch	Amount Rs.	Assets	Sch	Amount Rs.
Earmarked funds	A	76,72,022	Furniture and fixtures	F	11,56,059
Statutory dues payable	B	1,67,523	Other fixed assets	G	1,35,42,277
Inter unit advances accepted	C	7,35,06,671	Investments	H	17,82,092
Short term provisions	D	8,06,345	Fee receivables	I	2,23,57,230
Trade payables	E	19,62,111	Loans and advances	J	3,75,040
			Other assets	K	500
			Cash and bank balances	L	6,55,780
			Income and expenditure account	M	4,42,45,694
<b>Total</b>		<b>8,41,14,672</b>	<b>Total</b>		<b>8,41,14,672</b>

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

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

JADHAV ABHIJIT MOHAN  
Digitally signed by  
JADHAV ABHIJIT MOHAN  
Date: 2022.09.07 21:59:05  
+05'30'

Abhijit Jadhav  
Partner  
Membership Number : 135735  
Date: 7 September 2022  
Place: Pune  
UDIN : 22135735ARFOME4239



For Phaltan Education Society's  
College of Engineering Polytechnic

*[Signature]*  
Principal  
P.E.S's  
College of Engineering  
Phaltan Dist. Satara (M.S.)  
Date: 7 September 2022  
Place: Phaltan

Phaltan Education Society's  
College of Engineering Polytechnic

Schedule to the Balance Sheet as at 31 March 2022

Schedule A: Earmarked funds

Balance as at  
31 March 2022

Depreciation fund

Balance as per last year balance sheet

Add: Depreciation for the year

68,91,320

7,80,702

76,72,022

Total

76,72,022

Schedule B : Statutory dues payable

Income tax payable

40,923

Provident fund Employee contribution payable

a. Teaching

32,400

b. Non teaching

25,200

57,600

Provident fund Employer contribution payable

a. Teaching

32,400

b. Non teaching

25,200

57,600

Professional tax payable

6,400

Provident fund admin charges Payable

5,000

Total

1,67,523

Schedule C : Inter unit advances accepted

College of Engineering

14,63,241

Phaltan Education Society (HO)

5,13,07,292

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

1,33,81,138

Shrimant Shivajiraje College of Horticulture

25,00,000

Siddhanath High school, Mhaswad, Non grant

10,00,000

Total

7,35,06,671

Schedule D : Short term provisions

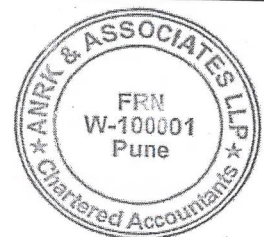
Gratuity payable

8,06,345

Total

8,06,345

*[Signature]*  
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 2022**

**Schedule E : Trade payables**

	Balance as at 31 March 2022
Vaibhav book house Private Limited	6,67,023
Spectra Point	12,48,000
Gandhi Electricals	14,078
Phadatare Mahadeo K	17,000
Shreeram enterprise	9,420
MSBTE	6,590

**Total**

**19,62,111**

**Schedule F : Furniture and fixtures**

	Balance as at 1 April 2021	Additions	Deletions	Balance as at 31 March 2022
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 G : Other fixed assets**

	Balance as at 1 April 2021	Additions	Deletions	Balance as at 31 March 2022
Computer	46,01,590	1,94,750	-	47,96,340
Laboratory Equipment	51,59,028	-	-	51,59,028
Library Books	17,43,909	-	-	17,43,909
Fire systems	18,43,000	-	-	18,43,000
<b>Total</b>	<b>1,33,47,527</b>	<b>1,94,750</b>	<b>-</b>	<b>1,35,42,277</b>

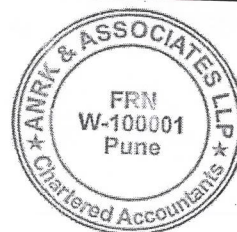
**Schedule H : Investments**

Fixed deposits with state bank of india: 33020765881	600000	
Fixed deposits with state bank of india: 33026587992	300000	9,00,000
Interest receivable on fixed deposit		8,82,092
<b>Total</b>		<b>17,82,092</b>

**Schedule I : Fee receivables**

Balance as per last balance sheet	1,47,02,223	
Add: Receivable during the year	1,90,57,925	
Less: Received during the year	(1,14,02,918)	2,23,57,230
<b>Total</b>		<b>2,23,57,230</b>

*[Signature]*  
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 2022

Schedule J : Loans and advances

Balance as at  
31 March 2022

Advance to staff:		
Sachin Ganpat Ahiwale	8000	
Ravindra Madhukar Bhosale	14000	
Jagdish Shrinivas Borate	12000	
Kondiva Sampat Chavan	6000	
Anil Mahadev Gore	8000	
Sandip Ramchandra Hendra	28000	
Shailesh Wishwas Jadhav	18000	
Digambar Manik Nibalkar	59000	
Dhiraj Uttam Pawar	4040	
Sujit Sitaram Raut	8000	
Santosh Ambadas Saste	6000	
Sabana Pharuk Shaikh	117000	
Tushar Shinde	87000	
Total		3,75,040
		3,75,040

Schedule K : Other assets

Professional tax recoverable		500
Total		500

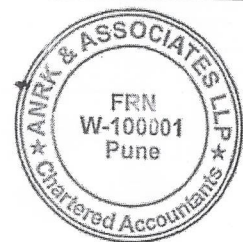
Schedule L : Cash and Bank balances

Cash in hand		884
Shreemant malojiraje co-operative bank : 816001021000532		2,68,283
ICICI Bank : 645201050652		3,86,613
Total		6,55,780

Schedule M : Income and expenditure account

Balance as per last balance sheet	4,25,67,757	
Add: Deficit for the year	16,77,937	4,42,45,694
Total		4,42,45,694

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





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

**Income and Expenditure Account  
For the year ended 31 March 2022**

Expenditure	Sch	Amount Rs.	Income	Sch	Amount Rs.
Salary expenses	A	1,98,16,766 ✓	Fees	J	1,90,57,925 ✓
Honorarium Expenses	-	44,710	Non salary grant	-	3,90,942
Advertisement expenses	-	12,153 ✓	Bank interest	K	1,70,531
Audit fee	-	590 ✓	Other income	L	18,294
Bank commission	-	1,579 ✓	Deficit for the year	-	<u>16,77,937</u>
Depreciation	-	7,80,702 ✓			
Rental expenses	-	25,000 ✓			
Travelling and conveyance	-	53,527 ✓			
Office and administration expenses	B	29,068 ✓			
Printing and stationery expenses	C	55,709 ✓			
Repairs and maintenance	D	24,096 ✓ 15870			
Student welfare expenses	E	3,11,814 ✓			
Legal and professional fees	F	31,801 ✓			
Operational expenses	G	1,01,662 ✓			
Communication expenses	H	1,662 ✓			
Rates and taxes	I	24,790 ✓			
<b>Total</b>		<b><u>2,13,15,629</u></b>	<b>Total</b>		<b><u>2,13,15,629</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

JADHAV  
ABHIJIT  
MOHAN

Digitally signed by  
JADHAV ABHIJIT MOHAN  
Date: 2022.09.07 21:59:43  
+05'30'

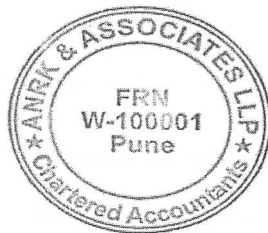
Abhijit Jadhav  
Partner

Membership Number : 135735

Date: 7 September 2022

Place: Pune

UDIN : 22135735ARFOME4239



For Phaltan Education Society's  
College of Engineering Polytechnic

*[Signature]*  
Principal  
P.E.S's  
College of Engineering  
Phaltan Dist. Satara (M.S.)

Date: 7 September 2022

Place: Phaltan

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

**Schedules to the Income and Expenditure Account  
For the year ended 31 March 2022**

**Schedule A : Salary expenses**

**Amount Rs.**

**Teaching staff :**

Salary expenses	1,42,45,733
Provident Fund employer contribution	3,94,200
Provident Fund admin charges	65,300

**1,47,05,233**

**Non teaching staff :**

Salary expenses	48,00,133
Provident Fund employer contribution	3,11,400

**51,11,533**

**Total**

**1,98,16,766**

**Schedule B : Office and administration expenses**

Meeting expenses	2,105 ✓
Office expenses	23,563 ✓
NPTEL expenses	3,400 ✓

**Total**

**29,068**

**Schedule C : Printing and stationery expenses**

Printing and stationery expenses	55,709
----------------------------------	--------

**Total**

**55,709**

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



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

**Schedules to the Income and Expenditure Account  
For the year ended 31 March 2022**

**Schedule D : Repairs and maintenance**

**Amount Rs.**

Repairs and maintenance

24,096

**Total**

**24,096**

**Schedule E : Student welfare expenses**

I cards

4,250 ✓

Student transportation

2,69,550 ✓

Youth festival expenses

4,135 ✓

Enrollment fee

33,879 ✓

**Total**

**3,11,814**

**Schedule F : Legal and professional fee**

Professional fee

28,801

Teacher training programme

3,000

**Total**

**31,801**

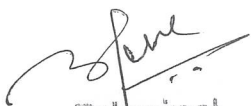
**Schedule G : Operational expenses**

Gardening expenses

1,01,662

**Total**

**1,01,662**

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



Phaltan Education Society's  
College of Engineering Polytechnic

Schedules to the Income and Expenditure Account  
For the year ended 31 March 2022

Schedule H : Communication expenses

Amount Rs.

Postage expenses

1,662

Total

1,662

Schedule I : Rates and taxes

Eligibility fees

12,790

Excess payment of professional tax

3,000

Excess payment of provident fund

9,000

Total

24,790

Schedule J : Fees

Tuition fees

1,90,57,925

Total

1,90,57,925

Schedule K : Bank interest

Interest on fixed deposit

1,50,848

Bank interest on saving account

19,683

Total

1,70,531


Schedule L : Other income

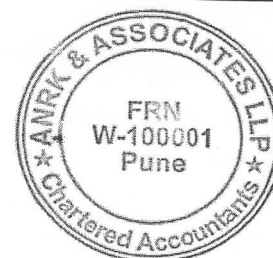
Miscellaneous income

18,294

Total

18,294

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



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

**Receipt and Payment Account  
For the year ended 31 March 2022**

Receipts	Sch	Amount Rs	Payments	Sch	Amount Rs
Opening balance	A	19,01,748	Salary expenses	G	1,98,16,766
Fees	B	1,14,02,918	Honorarium Expenses	-	44,710
Non salary grant	-	3,90,942	Advertisement expenses	-	12,153
Bank interest	C	19,683	Audit fee	-	590
Other income	D	18,294	Bank commission	-	1,579
Inter-unit advance accepted	E	77,32,007	Rental expenses	-	25,000
Indirect receipts	F	1,53,831	Travelling and conveyance	-	53,527
			Office and administration expenses	H	29,068
			Printing and stationery expenses	I	55,709
			Repairs and maintenance	J	24,096
			Student welfare expenses	K	3,11,814
			Legal and professional fees	L	31,801
			Operational expenses	M	1,01,662
			Communication expenses	N	1,662
			Rates and taxes	O	24,790
			Purchase of fixed assets	P	1,94,750
			Indirect payments	F	2,33,966
			Closing balance	A	6,55,780
<b>Total</b>		<b>2,16,19,423</b>	<b>Total</b>		<b>2,16,19,423</b>

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

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

JADHAV  
ABHIJIT  
MOHAN

Digitally signed by  
JADHAV ABHIJIT MOHAN  
Date: 2022.09.07 22:00:31  
+05'30'

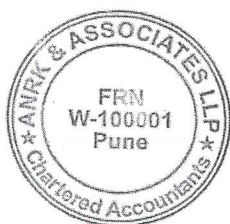
Abhijit Jadhav  
Partner

Membership Number : 135735

Date: 7 September 2022

Place: Pune

UDIN : 22135735ARFOME4239



For Phaltan Education Society's  
College of Engineering Polytechnic

*[Signature]*  
Principal  
P.E.S's  
College of Engineering  
Phaltan, Dist. Satara (M.S.)  
Date: 7 September 2022  
Place: Phaltan



Phaltan Education Society's  
College of Engineering Polytechnic

Schedules to the Receipt and Payment Account  
For the year ended on 31 March 2022

Schedule A : Cash and bank balances

	Opening Amount Rs.	Closing Amount Rs.
Cash in hand	17	884
Shreemant malojiraje co-operative bank : 816001021000532	18,05,692	2,68,283
ICICI Bank : 645201050652	96,039	3,86,613
<b>Total</b>	<b>19,01,748</b>	<b>6,55,780</b>

Schedule B : Fees

	Amount Rs.
Tuition fees	1,14,02,918
<b>Total</b>	<b>1,14,02,918</b>

Schedule C : Bank interest

Bank interest on saving account	19,683
<b>Total</b>	<b>19,683</b>

Schedule D : Other income

Miscellaneous income	18,294
<b>Total</b>	<b>18,294</b>

Schedule E: Inter unit Advance accepted

College Of Engineering-Degree Phaltan Education Society	4,35,782	
	72,96,225	77,32,007
<b>Total</b>		<b>77,32,007</b>

Schedule F: Indirect Receipts and Payments

	Indirect payments	Indirect receipts
MSBTE	-	6,590
Loans and advances	1,74,000	-
University exam fees receivable	-	83,010
Grant received in advance	-	62,331
Creditors	34,419	-
Statutory dues payable	25,547	1,900
<b>Total</b>	<b>2,33,966</b>	<b>1,53,831</b>

Schedule G : Salary expenses

Teaching staff :

Salary expenses	
Provident Fund employer contribution	1,42,45,733
Provident Fund admin charges	3,94,200
	65,300

Non teaching staff :

Salary expenses	
Provident Fund employer contribution	48,00,133
	3,11,400

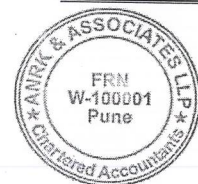
**Total**

1,47,05,233

51,11,533

1,98,16,766

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



Phaltan Education Society's  
College of Engineering Polytechnic

Schedules to the Receipt and Payment Account  
For the year ended on 31 March 2022

Schedule H : Office and administration expenses

Meeting expenses	2,105
Office expenses	23,563
NPTEL expenses	3,400
<b>Total</b>	<b>29,068</b>

Schedule I : Printing and stationery expenses

Printing and stationery expenses	55,709
<b>Total</b>	<b>55,709</b>

Phaltan Education Society's  
College of Engineering Polytechnic

Schedules to the Receipt and Payment Account  
For the year ended on 31 March 2022

Schedule J : Repairs and maintenance

Repairs and maintenance	24,096
<b>Total</b>	<b>24,096</b>

Schedule K : Student welfare expenses

I cards	4,250
Student transportation	2,69,550
Youth festival expenses	4,135
Enrollment fee	33,879
<b>Total</b>	<b>3,11,814</b>

Schedule L : Legal and professional fee

Professional fee	28,801
Teacher training programme	3,000
<b>Total</b>	<b>31,801</b>

Schedule M : Operational expenses

Gardening expenses	1,01,662
<b>Total</b>	<b>1,01,662</b>

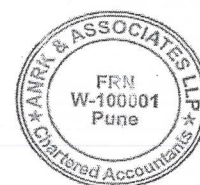
Schedule N : Communication expenses

Postage expenses	1,662
<b>Total</b>	<b>1,662</b>

Schedule O : Rates and taxes

Eligibility fees	12,790
Excess payment of professional tax	3,000
Excess payment of provident fund	9,000
<b>Total</b>	<b>24,790</b>

*[Signature]*  
Principal  
P.E.S's  
College of Engineering  
Phaltan Dist. Satara (M.S.)



Phaltan Education Society's  
College of Engineering Polytechnic

Schedules to the Receipt and Payment Account  
For the year ended on 31 March 2022

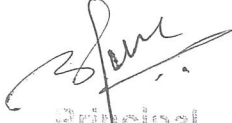
Schedule P: Purchase of fixed assets

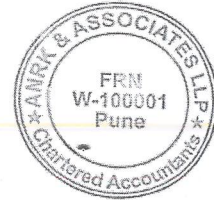
Computer

1,94,750

Total

1,94,750

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



## 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.

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



## 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.

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





## 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

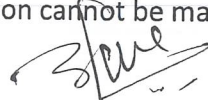
The trust is exempt from paying Income Tax under section 11 of the Indian Income Tax Act, 1961 resulting in the unit also being exempt from paying tax. Accordingly no provisions for income tax and deferred tax are considered necessary.

## 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.

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



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.

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

