

AUDIT REPORT
2016-2017

Sinhgad Technical Education Society, Pune's
SINHGAD ACADEMY OF ENGINEERING
KONDHWA (Bk), PUNE.



M/S K.S. MALI & CO.
CHARTERED ACCOUNTANTS
ROHAN COMPLEX, M.PHULE CHOWK,
A/P & TAL SANGOLA, DIST SOLAPUR.
TEL NO. 02187-222360 CELL- 98220 98653.
e-mail:- ksmali_ca@yahoo.co.in



AUDITOR'S REPORT

To
The Board of Trustees,
Sinhgad Technical Education Society,
Erandawane,
Pune.

1. We have audited the attached Balance Sheet of **Sinhgad Academy of Engineering Kondhwa, Pune** (the segment of Sinhgad Technical Education Society, Pune hereinafter referred as 'the institution') as on **31st March 2017** and Income & Expenditure Account of this Institution for the year ended on that date annexed thereto.
2. These financial statements are the responsibility of the Management. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in India. These standards require that we plan and perform the audit to obtain the reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.
3. These Financial Statements have been prepared incorporating various charges levied by the Society on **Sinhgad Academy of Engineering ,Kondhwa, Pune** as per the estimates / judgments made by the Management. Although these are based upon management's best knowledge of current events and actions, uncertainties about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future period.
4. Subject to Notes forming part of the accounts, we report that:-
 - a) In our opinion, **Sinhgad Academy of Engineering, Kondhwa, Pune** has kept proper books of account as required by law so far as it appears from our examination of these books.
 - b) The Institution has maintained its books of account on mercantile system of accounting and is following the same method of accounting consistently.



M/S K.S.MALI & CO.
Chartered Accountants

- c) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit and for determination of fees by the Fees Regulating Authority constituted as per the provisions of the Maharashtra Unaided Private Professional Educational Institutions (Regulation of Admissions and Fees) Act, 2015 and minutes of the meetings of the authority.
- d) The accounts of the Institution have been prepared by following Accounting Standard - 17 : 'Segment Reporting' as per practice followed by the Society as specified in Note No. 1(iii) of Schedule No. 12.
- e) Regarding various loan facilities availed from Shri Anand Co-op. Bank Ltd., Chinchwad, terms & conditions of the loans sanctioned including securities, repayment schedules, guarantees offered etc. have not been produced for our verification.
- f) The Balance Sheet and Income & Expenditure Account dealt with by this report are in agreement with the books of account.
- g) In our opinion the Balance Sheet and Income & Expenditure Account comply with relevant Accounting Standards.
- h) In our opinion and to the best of our information and according to the explanation given to us, these financial statements together with the schedules attached thereto and read with the accounting policies and Notes forming part of the accounts give a true and fair view in conformity with the accounting principles generally accepted in India :-
- i) in case of Balance Sheet, of the state of affairs of the Institution as at **31.03.2017** and
- ii) in case of Income & Expenditure Account, of the **Surplus** for the year ended on that date.

For M/s K.S.Mali & Co
Chartered Accountants
FRN- 105909W

Place: Pune
Date: 14.09.2017

CA. K.S. Mali
Proprietor (M.No.042718)

SINHGAD ACADEMY OF ENGINEERING, KONDHWA
The Maharashtra Public Trusts Act, 1950
Schedule VIII [Vide Rule 17(1)]
Name Of The Trust: SINHGAD TECHNICAL EDUCATION SOCIETY
Registration No. F - 8282/PUNE Dated: 12.08.1993
BALANCE SHEET AS AT 31ST MARCH 2017

Funds & Liabilities	Sch	Amount (Rs.)	Property & Assets	Sch	Amount (Rs.)
Trust Funds or Corpus			Immovable Properties (at cost)	1	,13,55,21,500
Balance as per last Balance Sheet			Investments and Deposits	7	66,75,461
Adjustments during the year			Movable Properties (at cost)	1	11,34,90,317
Membership Fees			Balance as per last Balance Sheet		8,57,499
Donations			Additions during the year		
			Disposals during the year		
Branch / divisions		(113,040,721)	Intangible Properties (at cost)	1	
			Capital Work - In - Progress	1	
Other Earmarked Funds			Advances		
(created under the provisions of			Advances To Trustees		1,89,86,991
the trust deed or scheme or out of			Advances To Employees		3,15,700
the income)			Advances To Others		17,16,901
Depreciation & Amortization Fund	1	,15,68,48,230	Prepaid Expenses		
Reserve Fund		18,08,333	Pre-Operative Expenses		
Any Other Fund	2	3,02,58,334	Tax Deducted at Source		
Loans (Secured or Unsecured)			Income Outstanding		
From Trustees			Fees Receivable		3,64,55,969
From Others	3	,9,34,72,395	Interest Receivable		18,47,142
Liabilities			Other Receivables		7,600
For Expenses	4	10,91,62,745	Rent		
For Advances			Stocks		
For Rent & Other Deposits	5	83,67,400	Cash & Bank Balances	8	65,48,804
For Sundry Credit Balances	6	,3,55,47,168	In Current A/C		
			In Fixed Deposit A/C		
			With the Trustee		
			With the Manager		
TOTAL		,32,24,23,884	TOTAL		,32,24,23,884

Notes forming part of the Accounts : Schedule No. 12
As per our report of even date
For K.S. Mali & Co.
Chartered Accountants
F.R.No. : 105909W

CA K.S.Mali
Proprietor (M.No. 042718)
Date : 14/09/2017
Place : Pune

The above Balance Sheet to the best of our belief
contains a true account of the fund & liabilities and of
the property & assets of the Trust.

For Sinhgad Technical Education Society

M. N. Navale
President

SINHGAD ACADEMY OF ENGINEERING
The Maharashtra Public Trusts Act, 1950
Schedule IX [Vide Rule 17(1)]

Name Of The Trust: **SINHGAD TECHNICAL EDUCATION SOCIETY**
Registration No. F - 82B2/PUNE Dated: 12.08.1993

INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH 2017

Expenditure	Sch.	BE	HE	Income	Sch.	BE	HE
To Expenditure in respect of Properties				By Rent (accrued) / (realised)			
Rates, Taxes, Insurance & Cesses				By Interest (accrued)			
Repairs & Maintenance				On Securities			
Salaries				On Loans		6,45,759	30,428
Depreciation (by way of provision or adjustments)				On Bank A/c			
To Establishment Expenses	9	10,05,85,419	47,39,627	By Dividend			
To Remuneration to Trustees				By Donations in cash or kind			
To Remuneration (in the case of a math) to the head of the math including his household expenditure, if any				By Grants			
To Legal Expenses				By Income from other sources	11	31,77,60,660	1,49,73,015
To Audit Fees		2,00,051	9,426	By Transfer from Reserve			
To Contribution & Fees							
To Amount written off							
Bad Debts							
Loan Scholarships							
Irrecoverable Rents							
Other Items							
To Miscellaneous Expenses							
To Depreciation & Amortization	1	93,49,284	4,40,542				
To Amounts transferred to Reserve or Specific Funds							
To Expenditure on Objects of the Trust							
Religious							
Educational	10	,18,37,33,763	86,57,612				
Medical Relief							
Relief of poverty							
Other Charitable objects							
To Surplus/(Deficit) trf.to Bal. Sheet		,2,45,37,902	11,56,236				
TOTAL		,31,84,06,418	,1,50,03,444	TOTAL		,31,84,06,418	,1,50,03,444

Notes forming part of the Accounts : Schedule No. 12

As per our report of even date

For K.S. Mall & Co.

Chartered Accountants

F.R.No. : 105909W

CA K.S.Mall
Proprietor (M.No. 042718)
Date : 14/09/2017
Place : Pune

The above Income & Expenditure to the best of our belief contains a true account of the Expenditure of the Trust.

For Sinhgad Technical Education Society

M. N. Navale
President

SCHEDULE 1: FIXED ASSETS & DEPRECIATION SAOE

PARTICULARS	DEPR. RATE P.A.	COST 01.04.2016	ADDITIONS Apr - Mar 17	DELETIONS Apr - Mar 17	COST 31.03.2017	DEPRECIATION FUND					WDV 01.04.2016	WDV 31.03.2017
						DEPR. FUND	DEPR.	ADDITIONS	DELETIONS	DEPR. FUND		
						01.04.2016	Apr - Mar 17	Apr - Mar 17	Apr - Mar 17	31.03.2017		
IMMOVABLE ASSETS												
LAND		1,04,35,764			1,04,35,764		0			0	1,04,35,764	1,04,35,764
BUILDING & CIVIL WORKS	5%	9,62,34,938	11,30,707		9,73,73,645	3,98,10,796	28,88,142			4,24,98,938	5,66,24,142	5,48,74,707
COMPOUND WALL	5%	74,24,629			74,24,629	32,01,498	2,11,157			34,12,655	42,23,131	40,11,974
ROAD	5%	16,27,645			16,27,645	7,01,841	46,290			7,48,131	9,25,804	8,79,514
ELECTRICAL FITTINGS	25%	1,86,20,442	39,375		1,86,59,817	1,62,01,988	6,14,457			1,68,16,445	24,18,454	18,43,372
SUB-TOTAL (A)		13,43,43,418	11,78,082	0	13,55,21,500	5,97,16,123	37,60,046	0	0	6,34,76,169	7,46,27,295	7,20,45,331
MOVABLE ASSETS												
FURNITURE & FIXTURES	15%	3,48,41,098	1,03,070		3,49,44,168	2,08,27,940	21,17,434			2,29,45,374	1,40,13,158	1,19,98,794
LIBRARY BOOKS	50%	65,81,292	5,062		65,86,354	62,95,714	1,45,320			64,41,034	2,85,578	1,45,320
COMPUTERS & COMPUTER EQUIPMENTS	50%	2,77,64,040	1,62,436		2,79,26,475	2,54,57,046	12,34,715			2,66,91,781	23,06,994	12,34,714
MACHINERY & EQUIPMENTS (AS PER DETAILS BELOW)		4,43,03,887	5,86,932	0	4,48,90,819	3,47,61,581	25,32,311	0	0	3,72,93,892	95,42,306	75,96,927
SUB-TOTAL (B)		11,34,90,317	8,57,499	0	11,43,47,816	6,73,42,281	60,29,780	0	0	9,33,72,061	2,61,48,036	2,09,75,755
GRAND-TOTAL (A+B)		24,78,33,735	20,35,581	0	24,98,69,316	14,70,58,404	97,89,826	0	0	15,68,48,230	10,07,75,331	9,30,21,086

PARTICULARS	DEPR. RATE P.A.	COST 01.04.2016	ADDITIONS Apr - Mar 17	DELETIONS Apr - Mar 17	COST 31.03.2017	DEPRECIATION FUND					WDV 01.04.2016	WDV 31.03.2017
						DEPR. FUND	DEPR.	ADDITIONS	DELETIONS	DEPR. FUND		
						01.04.2016	Apr - Mar 17	Apr - Mar 17	Apr - Mar 17	31.03.2017		
MACHINERY & EQUIPMENTS												
AIR CONDITIONERS	25%	4,90,016			4,90,016	4,02,804	21,803			4,24,607	87,212	65,408
DIESEL GENERATOR SET	25%	18,83,386			18,83,386	16,17,003	66,596			16,83,599	2,66,383	1,99,787
FIRE EXTINGUISHER	25%	1,19,587			1,19,587	1,03,625	3,991			1,07,616	15,962	11,971
LAB EQUIPMENTS	25%	3,56,59,989	5,35,422		3,61,91,411	2,83,39,531	19,62,070			3,03,02,501	73,16,458	58,88,910
MOBILE	25%	11,150			11,150	4,879	1,568			6,447	6,271	4,703
SPORTS EQUIPMENTS	25%	2,43,024			2,43,024	1,72,658	17,592			1,90,250	70,366	52,774
UPS SYSTEM	25%	10,84,350			10,84,350	8,91,511	48,210			9,39,721	1,92,839	1,44,629
OTHER MACHINERY & EQUIPMENTS	25%	48,16,385	51,510		48,67,895	32,29,570	4,09,581			36,39,151	15,86,815	12,28,744
TOTAL		4,43,03,887	5,86,932	0	4,48,90,819	3,47,61,581	25,32,311	0	0	3,72,93,892	95,42,306	75,96,927

SCHEDULE NO.- 2 : ANY OTHER FUNDS

PARTICULARS	LISTIN G REF	OPENING BALANCE (RS.)	ADDITIONS / (DELETIONS)	AMOUNT (RS.)
Equipment / Laboratory Fund		1,46,66,667		1,46,66,667
Building Fund		1,49,66,667		1,49,66,667
Library Fund		6,25,000		6,25,000
TOTAL		3,02,58,334	0	3,02,58,334

SCHEDULE NO.- 3 : LOANS FROM OTHERS

PARTICULARS	LISTIN G REF	AMOUNT (RS.)	AMOUNT (RS.)
A] WORKING CAPITAL LOANS :			8,92,21,593
B] TERM LOANS :			
Central Bank of India		42,50,802	42,50,802
GRAND TOTAL			,9,34,72,395

SCHEDULE NO.- 4 : LIABILITIES FOR EXPENSES AND PROVISIONS

PARTICULARS	LISTIN G REF	AMOUNT (RS.)	AMOUNT (RS.)
Salary & Wages Payable		9,88,52,491	
Provident Fund (Institute's Cont.) Payable		89,73,996	
Admin. Charges to P.F. Payable		5,89,291	
Other Expenses Payable		7,46,967	
TOTAL			,10,91,62,745

SCHEDULE NO.- 5 : LIABILITIES FOR RENT & OTHER DEPOSITS

PARTICULARS	LISTIN G REF	AMOUNT (RS.)	AMOUNT (RS.)
Deposits from Students			83,67,400
TOTAL			83,67,400

SCHEDULE NO.- 6 : LIABILITIES FOR SUNDRY CREDIT BALANCES

PARTICULARS	LISTIN G REF	AMOUNT (RS.)	AMOUNT (RS.)
SUNDRY CREDITORS			34,89,369
TAX DEDUCTED AT SOURCE (TDS) :			
TDS on Salary		33,18,385	
TDS on Payments to Professionals		1,38,024	
TDS on Payments to Contractors		22,072	
		34,78,481	34,78,481
OTHER LIABILITIES :			
Fees Refundable		1,31,35,563	
Provident Fund (Employees' Contribution)		30,88,061	
Group LIC Scheme		3,79,075	
Other Liabilities		1,19,76,619	2,85,79,318
TOTAL			,3,55,47,168

SCHEDULE NO.- 7 : INVESTMENTS & DEPOSITS

PARTICULARS	LISTIN G REF	AMOUNT (RS.)	AMOUNT (RS.)
INVESTMENTS			
Fixed Deposits with Banks	1		
Canara Bank		51,47,683	
Shri. Anand Co-Op. Bank Ltd.		15,00,000	
			66,47,683
Total Investments			66,47,683
DEPOSITS			
Deposits for Internet Connection		27,778	
			27,778
TOTAL			66,75,461

SCHEDULE NO. 8 : CASH & BANK BALANCES

PARTICULARS	LISTIN G REF	AMOUNT (RS.)	AMOUNT (RS.)
CASH IN HAND			11,23,934
BANK BALANCES :			
In Current Accounts			
Punjab National Bank		88,192	
Canara Bank		13,94,228	
Bank of Maharashtra		4,324	
Shri Anand Co-Op. Bank Ltd.		39,33,126	
Cosmos Co - Op. Bank Ltd.		5,000	
			54,24,870
TOTAL			65,48,804

SCHEDULE NO.-9 : ESTABLISHMENT EXPENSES

PARTICULARS	LISTING REF	BE	ME
Advertisement and Publicity		24,21,703	1,14,112
Interest on:			
Working Capital Loans		1,17,86,969	5,55,407
Term Loans		5,03,707	23,735
Bank Charges		89,947	4,238
Legal Charges		18,49,785	87,163
Professional / Consultation Charges		18,24,677	85,980
Property Taxes		95,714	4,510
Insurance Charges (Other than on Vehicle)		3,19,250	15,043
Repairs & Maintenance			
Repairs & Maintenance to Building		36,10,525	1,70,129
Repairs & Maintenance to Furniture & Fixtures		75,859	3,575
Repairs & Maintenance to Other Assets		24,13,371	1,13,719
Garden Maintenance		3,40,388	16,039
Electricity Expenses			
Electricity Charges		60,39,160	2,84,568
Diesel for Generator		7,17,558	33,812
Vehicle Expenses			
Petrol & Diesel Expenses		4,88,561	23,021
Repairs & Maintenance to Vehicles		1,92,219	9,057
Vehicle Insurance		12,391	584
RTO Tax		12,029	567
Administrative & General Expenses			
Rent		5,37,73,973	25,33,852
Office Expenses		10,76,465	50,723
Postage & Telephone Expenses		8,59,104	40,481
Printing & Stationary		12,44,951	58,663
Water Supply & Testing Charges		15,31,998	72,188
Donation Paid		5,539	261
Administrative Expenses	2	51,63,022	2,43,284
Security (Supervision) Charges		41,30,415	1,94,627
Other Expenses		6,139	289
TOTAL		10,05,85,419	47,39,627



SCHEDULE NO.- 10 : EDUCATIONAL EXPENSES

PARTICULARS	LISTING REF	BE	ME
Employee Costs	3	17,26,32,533	81,34,517
Internet Charges		14,33,241	67,535
Fees paid to Statutory Authorities	4	11,42,305	53,826
Seminars & Exhibition Expenses		1,22,498	5,772
Consumables		5,19,083	24,459
Newspapers, Periodicals & Journals		8,77,384	41,343
Travelling & Conveyance		2,64,481	12,462
Training & Placement Expenses		44,940	2,118
Remuneration to Visiting Faculty		5,03,801	23,739
Software Expenses		9,20,073	43,354
Student Related Expenses	5	44,11,929	2,07,892
Miscellaneous Expenses			
Prior Period Expenses		1,827	86
Other Miscellaneous Expenses		8,59,669	40,508
TOTAL		,18,37,33,763	86,57,612



SCHEDULE NO.- 11 : INCOME FROM OTHER SOURCES

PARTICULARS	LISTING REF	BE	ME
FEEES INCOME			
Tution Fees		28,86,73,715	1,36,02,426
Development Fees		2,81,72,191	13,27,485
INCOME FROM SALE			
Sale of Prospectus		7,17,996	33,832
OTHER INCOME			
Eligibility Fees Income (<i>Institute's Share</i>)		81,175	3,825
Student Insurance Income		85,831	4,044
Amounts Written Back		29,753	1,402
TOTAL		,31,77,60,660	,1,49,73,015

LISTS

1] Fixed Deposits with Banks

PARTICULARS	AMOUNT (RS.)
Jointly Held With -	
All India Council for Technical Education (AICTE)	2,850,000
Directorate of Technical Education (DTE)	3,797,683
National Council for Teacher Education (NCTE)	
Shreemati Nathibai Damodar Thackersey (SNDT)	
Women's University	
Central Board of Secondary Education (CBSE)	
Sub - Total	6,647,683
Fixed Deposits against Bank Guarantees	
Fixed Deposits earmarked for E.M.B.F.	
Other Fixed Deposits	
TOTAL	6,647,683

2] Administrative Expenses

PARTICULARS	AMOUNT (RS.)
Cleaning Charges	2,432,838
Sweeping Charges	2,973,468
	5,406,306

3] Employee Costs

PARTICULARS	TOTAL AMOUNT (RS.)
Salaries & Wages	16,55,11,646
Contribution to P.F. & Pension Fund	5,307,788
Administrative Expenses for P.F.	261,995
Gratuity Expenses	9,443,326
Staff Welfare & Training	242,295
	180,767,050

4] Fees paid to Statutory Authorities

PARTICULARS	AMOUNT (RS.)
Affiliation Fees	456,900
Accreditation Fees	343,500
Fees Regulating Authority Processing Fees	395,731
	1,196,131

5] Student Related Expenses

PARTICULARS	AMOUNT (RS.)
Picnic & Gathering Expenses	249,107
Cultural Activities Expenses	2,640,173
Sports Expenses	99,777
Student Welfare Expenses	1,630,764
	4,619,821

6] Other Liabilities

PARTICULARS	AMOUNT (RS.)
Alumni Fund	6,303,735
student association fees	585,300
Research Grants	707,593
Entrance Exam	97,000
Calu Added Programme	20,100
Exam Fees	4,262,891
	11,976,619

7] Advances to Others

PARTICULARS	AMOUNT (RS.)
Profession Tax	4,700
University Exam Advance Civil	45,000
University Exam Advance Comp	59,000
University Exam Advance E&tc	100,000
University Exam Advance IT	20,000
University Exam Advance Mech	71,000
Nabar Communications	16,000
	315,700

SCHEDULE NO. 12:- NOTES FORMING PART OF THE ACCOUNTS

1. Significant Accounting Policies

i. General:-

The accounting policies not specifically referred to herein below are consistent with the generally accepted accounting principles.

ii. Basis for preparation of financial statements:-

The financial statements have been prepared as per historical cost convention and in accordance with the generally accepted accounting principles in India and materially comply with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India. The accounts are prepared as per Mercantile System of Accounting in respect of material items as per the policy consistently followed by the Society in previous years.

iii. Segment Reporting:

- a) Accounting Standard-17 on 'Segment Reporting' is not mandatorily applicable to the accounts of the institution. However, Govt. of Maharashtra has constituted Fees Regulating Authority under Section 11(2)(3)(4) of the Maharashtra Unaided Private Professional Educational Institutions (Regulation Admission and Fees) Act, 2015. The said Authority in its meeting held on 1st July 2016 passed a resolution in respect of the matters to be included in the Auditor's Report. The report has to deal with books of account and method of accounting for each segment i.e. every course for which the approval of the fees is sought before the Fees Regulating Authority.
- b) Accordingly the various courses run by Sinhgad Academy of Engineering Kondhwa (hereinafter referred as 'the institution') have been considered as different segments for the purpose of preparation of financial statements. The accounting treatment given to the various type of transactions is as under:-
- i) The expenses incurred and charges levied by the Institution which are directly attributable to a specific segment have been allocated to the respective segment and the residual expenses (including the common expenses of Kondhwa Campus Office and the Corporate Office) have been allocated to all the segments on the basis of the estimates / best judgments made by the Management.
- ii) The fees and related income earned by each segment has been reflected as per actuals. The other miscellaneous income is allocated among the segments on the basis of the estimates / best judgments made by the Management.
- iii) As per the practice consistently followed in earlier years, the assets and liabilities of the Institution have not been allocated / apportioned among various segments since there is no such requirement of the statutory regulatory authorities and since there are practical difficulties in recording the same in the books of account accordingly.

iv. Revenue Recognition:-

a) Income from Fees:-

The revenue from fees received from students is recognized on 'over the academic year basis.

b) Sale of items:-

The revenue from sale of prospectus/study materials/forms and other items is recognized at the time of actual sale of such items. The cost of printing/purchase of study material/forms charged to expenses as and when purchased.

c) Interest received:-

Interest on investments is accounted for on accrual basis except interest on saving bank accounts.

v. Use of Estimates:-

The preparation of financial statements in conformity with Accounting Standards prescribed by the Institute of Chartered Accountants of India requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainties about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future period.

vi. Fixed Assets:-

- a) All direct expenses attributable to Fixed Assets acquired are capitalized. Initial accessories purchased along with the new assets are capitalized. Replacement accessories and other spares are charged out as expenses.
- b) Fixed Assets are shown at historical cost. Capital subsidy / grants received against specific asset are reduced from the cost of relevant assets.

vii. Depreciation:-

- a) Depreciation is provided on Written Down Value [WDV] Method at the rates decided by the Management as mentioned in Schedule 1: Fixed Assets.
- b) Depreciation on additions to Fixed Assets is charged for the whole year irrespective of date of acquisition or the date on which it is put to use.
- c) No depreciation is provided on the assets disposed off / discarded during the year.
- d) Depreciation charged is reflected by creating Depreciation Fund.

viii. **Grants:-**

- a) Research and development grant received with specific direction has been shown net of its utilization for the purpose for which it is received.
- b) Examination and / or Seminar Grants received from the University / other authorities have been included in Other Liabilities at net of expenditure incurred.

ix. **Investments:-**

- a) Long Term Fixed Deposits with Banks are shown under Investments, while Short Term Deposits are shown under Cash & Bank Balances.
- b) Investments are stated at Cost.

x. **Softwares:-**

Expenditure on softwares purchased during the year is debited to the Income & Expenditure Account.

xi. **Provisions -**

Provisions are made based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimate.

xii. **Retirement Benefits:-**

a) **Provident Fund:-**

The Employer's contribution to Provident Fund is charged to Income & Expenditure Account.

b) **Gratuity:-**

The Society provides for gratuity, a defined benefit retirement plan covering all employees. The Gratuity Plan provides a lump sum payment to all eligible employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. Society's liability is actuarially determined at the end of the year using Projected Unit Credit Method.

xiii. **Affiliation & Recognition Fees :-**

The fees paid during the year have been accounted for as under:-

- i) Fees for academic year 2016-17 have been charged out during the year.
- ii) Fees for next academic year are treated as Prepaid Expense.
- iii) The refund received, if any, is treated as income in the year of receipt.

2. Specific Funds :-

The following funds have been created in accordance with Ordinance No 171 of Bavitribai Phule Pune University :-

- a) Reserve Fund
- b) Equipment / Laboratory Fund
- c) Building Fund
- d) Library Fund

3. Balance Confirmations:

All balances in the personal accounts are subject to their confirmations

4. Expenditure on the objects of the Trust -

The expenses pertaining to salaries and allowances of non-teaching staff and other administrative / establishment expenses are the expenses incurred on the objects of the Trust and hence the same have been shown accordingly as per the practice consistently followed

5. Contingent Liability:-

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Management or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. Management does not recognize a contingent liability but discloses its existence in the consolidated financial statements. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

6. Advances paid to staff against salaries:

In view of the severe cash crunch faced by the Society during the year employees have been paid advances against salary from time to time amounting to Rs. 1,88,37,689/- to be adjusted against payment of salaries. The same are included in the Balance Sheet under the head Advances to Employees.

As per our report of even date

For M/s K. S. Mali & Co.
Chartered Accountants
F.R.No : 105909W

CA. K.S. Mali
Proprietor M. No.042718

For Sinhgad Technical
Education Society

M. N. Navale
President

Place : Pune
Date : 14.09.2017