

**AUDIT REPORT  
2019-2020**

**SANKALP BUSINESS SCHOOL, PUNE.**



**M/S K.S. MALI & CO.  
CHARTERED ACCOUNTANTS**

ROHAN COMPLEX, M.PHULE CHOWK,  
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**INDEPENDENT AUDITOR'S REPORT**

**To**  
**The Board of Trustees,**  
**SANKALP EDUCATION SOCIETY,**  
**AMBEGAON BK, PUNE**

**Report on the Financial Statements**

We have audited the accompanying financial statements of **SANKALP EDUCATION SOCIETY'S Sankalp Business School, Ambegaon Bk., Pune** which comprise the Balance Sheet as at **31<sup>st</sup> March, 2020**, the Statement of Income and Expenditure for the year then ended, and notes on a significant accounting policies and other explanatory information and disclosures.

**Basis for Opinion**

We conducted our audit in accordance with the applicable Standards on Auditing (SA's) as prescribed by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society 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.

**Responsibility of Management for the Financial Statements**

The management of Sankalp Business School is responsible for the preparation of these financial statements that give a true and fair view of the state of affairs (financial position) Surplus or Deficit (financial performance including other comprehensive income) in accordance with the accounting principles generally accepted in India.

The responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Society and for preventing and detecting frauds and other irregularities, selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent, and design, implementation and maintenance of





adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

The management of the institution is also responsible for overseeing the society's financial reporting process.

### **Auditor's Responsibilities for the Audit of the 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 auditor's 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 SA's 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements

### **Emphasis of Matters:-**

The scrutiny in respect of old outstanding fees receivable from students has not been carried out by the Management and hence provision for non-recoverable fees, if any, has not been made in the books of account.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us and subject to notes forming part of the accounts we report that:-

1. Sankalp Business School has maintained separate books of account in respect of each financial year.



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

2. Sankalp Business School has maintained books of account on mercantile system of accounting except as mentioned in the notes on accounts attached herewith and is following the same method of accounting consistently.
3. 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 various meetings of the said authority.
4. The accounts of Sankalp Business School have been prepared by following Accounting Standard - 17: 'Segment Reporting' as per details specified in Note no. 2(iii) of Schedule No. 11.
5. The Balance Sheet and Income & Expenditure Account dealt with by this report are in agreement with the books of account.
6. In our opinion, Sankalp Business School has kept proper books of account as required by law so far as it appears from our examination of these books.
7. In our opinion the Balance Sheet and Income & Expenditure Account comply with relevant Accounting Standards
8. **Following are the audit observations for the year under consideration:**
  - a) These financial Statements have been prepared incorporating various charges levied by the Society on its various branches / units 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.
  - b) During the year at sometimes, Sankalp Business School has defaulted in remitting payment of the following Statutory dues within the prescribed time limits-





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

- Tax Deducted at Source
- Provident Fund
- Profession Tax
- Gratuity

9. The aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of Sankalp Business School as at **March 31, 2020** and its **Surplus for the year ended on that date.**

**As per our report of even date**

**Place : Pune**  
**Date : 17.12.2020**

**For M/s K. S. Mali & Co.**  
**Chartered Accountants**



**FRN- 105909W**

**CA K.S. Mali**

**Proprietor M. No.042718**

**UDIN NO : 20042718AAAAGM1080**

**SANKALP BUSINESS SCHOOL,PUNE**  
**The Maharashtra Public Trust Act, 1950**  
**Schedule VIII [Vide Rule 17(1)]**  
**Name Of The Trust: SANKALP EDUCATION SOCIETY, PUNE**  
**Registration No. MAH-738/2008 PUNE Dated: 06.05.2008**  
**BALANCE SHEET AS AT 31ST MARCH 2020**

Funds & Liabilities	Sch	Amount (Rs.)	Property & Assets	Sch	Amount (Rs.)
<b>Trust Funds or Corpus</b>			<b>Immovable Properties (at cost)</b>	<b>1</b>	2,94,31,694
Balance as per last Balance Sheet			<b>Investments and Deposits</b>	<b>6</b>	9,00,000
Adjustments during the year			<b>Movable Properties (at cost)</b>	<b>1</b>	,1,44,37,073
Membership Fees			Balance as per last Balance Sheet		0
Donations			Additions during the year		
<b>Branch / divisions</b>		4,21,15,831	Disposals during the year		
<b>Other Earmarked Funds</b>			<b>Intangible Properties (at cost)</b>		
(created under the provisions of the trust deed or scheme or out of the income)			<b>Loans (Secured or Unsecured)</b>		
Depreciation & Amortization Fund	<b>1</b>	,2,65,16,663	Good/Doubtful		
Reserve Fund		1,00,000	Loan Scholarships		
Any Other Fund	<b>2</b>	4,25,000	Other Loans		
<b>Loans (Secured or Unsecured)</b>			<b>Advances</b>		
From Trustees			Advances To Trustees		65,000
From Others	<b>3</b>	4,25,000	Advances To Employees		81,049
<b>Liabilities</b>			Advances To Others		
For Expenses		1,19,60,208	Prepaid Expenses		
For Advances			Pre-Operative Expenses		
For Rent & Other Deposits	<b>4</b>	6,71,950	Tax Deducted at Source		
For Sundry Credit Balances	<b>5</b>	43,55,726	<b>Income Outstanding</b>		
<b>Income &amp; Expenditure A/C</b>			Fees Receivable		1,86,08,250
Balance as per last Balance Sheet		(198,04,300)	Interest Receivable		6,28,555
Add : Appropriation/ Adjustments for			Other Receivables		
Add: Surplus as per Income & Expenditure Account		(15,13,101)	Rent		
			Stocks		
			<b>Cash &amp; Bank Balances</b>	<b>7</b>	11,01,356
			In Current A/C		
			In Fixed Deposit A/C		
			With the Trustee		
			With the Manager		
<b>TOTAL</b>		<b>6,52,52,977</b>	<b>TOTAL</b>		<b>6,52,52,977</b>

**Notes forming part of the Accounts : Schedule No. 11**

As per our report of even date  
**For K.S.MALI & CO**  
**Chartered Accountants**

**CA. K.S. MALI**  
**Proprietor (M.No.042718 )**

Date : 17.12.2020

Place : Pune

UDIN : 20042718AAAAGM1080



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 SANKALP EDUCATION SOCIETY,PUNE**

**Amey Sasalkar**  
**Secretary**

**SANKALP BUSINESS SCHOOL, PUNE**

The Maharashtra Public Trust Act, 1950

Schedule IX [Vide Rule 17(1)]

Name Of The Trust: SANKALP EDUCATION SOCIETY, PUNE

Registration No. MAH-738/2008 PUNE Dated: 06.05.2008

**INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH 2019**

Expenditure	Sch.	Amount (Rs.)	Income	Sch.	Amount (Rs.)
<b>To Expenditure in respect of Properties</b>			By Rent (accrued) / (realised)		
Rates, Taxes, Insurance & Cesses			<b>By Interest (accrued)</b>		
Repairs & Maintenance			On Securities		
Salaries			On Loans		
Depreciation (by way of provision or adjustments)	8	14,59,689	<b>On Bank A/c</b>		34,518
<b>To Establishment Expenses</b>			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		15,000	<b>By Income from other sources</b>	10	,1,00,02,050
To Audit Fees			By Transfer from Reserve		
To Contribution & Fees					
To Amount written off					
Bad Debts					
Loan Scholarships					
Irrecoverable Rents		21,58,300			
<b>Other Items</b>					
To Miscellaneous Expenses	1	11,99,709			
<b>To Depreciation &amp; Amortization</b>					
To Amounts transferred to Reserve or Specific Funds					
<b>To Expenditure on Objects of the Trust</b>					
Religious	9	67,16,971			
<b>Educational</b>					
Medical Relief					
Relief of poverty					
Other Charitable objects					
<b>To Surplus/(Deficit) carried to Balancesheet</b>		(15,13,101)			
<b>TOTAL</b>		<b>1,00,36,568</b>	<b>TOTAL</b>		<b>1,00,36,568</b>

Notes forming part of the Accounts : Schedule No. 11

As per our report of even date  
For K.S.MALI & CO  
Chartered AccountantsCA. K.S. MALI  
Proprietor (M.No.042718 )  
Date : 17.12.2020  
Place : Pune  
UDIN NO : 20042718AAAAGM1080

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

For SANKALP EDUCATION SOCIETY, PUNE

Amey P. Patilkar  
Secretary



SCHEDULE 1: FIXED ASSETS

PARTICULARS	DEPR. RATE	COST	ADDITIONS	DELETIONS	COST	DEPRECIATION FUND					WDV	WDV
						DEP. FUND 01.04.2019	DEPR. 2019-20	ADDITIONS (EXCLUDING TRANSFER) 2019-20	DELETIONS 2019-20	DEPR. FUND 31.03.2020		
1	P.A.	3	4	6	8-3+4+5-6-7	9	10 = (8-9-10-11+12+13)*2	11	13	14	16-3-9	17-8-15
<b>IMMOVABLE ASSETS</b>												
BUILDING	5%	2,62,23,546	0	0	2,62,23,546	96,87,230	8,26,816			1,05,14,046	1,65,38,316	1,57,09,500
ELECTRICAL FITTINGS	25%	32,08,148	0	0	32,08,148	29,57,684	62,616			30,20,300	2,50,464	1,87,848
<b>SUB-TOTAL (A)</b>		<b>2,94,31,694</b>	<b>0</b>	<b>0</b>	<b>2,94,31,694</b>	<b>1,26,44,914</b>	<b>8,89,432</b>	<b>0</b>	<b>0</b>	<b>1,35,34,346</b>	<b>1,67,86,780</b>	<b>1,58,97,348</b>
<b>MOVABLE ASSETS</b>												
FURNITURE & FIXTURES	15%	52,98,062	0	0	52,98,062	39,48,397	2,02,450			41,50,847	13,49,665	11,47,215
LIBRARY BOOKS	50%	7,22,810	0	0	7,22,810	7,19,762	1,524			7,21,286	3,048	1,524
VEHICLES	25%	19,07,154	0	0	19,07,154	17,16,224	47,733			17,63,957	1,90,930	1,43,197
EQUIPMENT & TOOLS (AS PER DETAILS BELOW)		65,09,047	0	0	65,09,047	62,87,657	58,570		0	63,46,227	2,21,390	1,62,820
<b>SUB-TOTAL (B)</b>		<b>1,44,37,073</b>	<b>0</b>	<b>0</b>	<b>1,44,37,073</b>	<b>1,26,72,040</b>	<b>3,10,277</b>	<b>0</b>	<b>0</b>	<b>1,29,82,317</b>	<b>17,65,033</b>	<b>14,54,756</b>
<b>GRAND-TOTAL (A+B)</b>		<b>4,38,68,767</b>	<b>0</b>	<b>0</b>	<b>4,38,68,767</b>	<b>2,53,16,954</b>	<b>11,99,709</b>	<b>0</b>	<b>0</b>	<b>2,85,16,663</b>	<b>1,85,51,813</b>	<b>1,73,52,104</b>

PARTICULARS	DEPR. RATE	COST	ADDITIONS	DELETIONS	COST	DEPRECIATION FUND					WDV	WDV
						DEP. FUND 01.04.2019	DEPR. 2019-20	ADDITIONS (EXCLUDING TRANSFER) 2019-20	DELETIONS 2019-20	DEPR. FUND 31.03.2020		
1	P.A.	3	4	6	8-3+4+5-6-7	9	10 = (8-9-10-11+12+13)*2	11	13	14	16-3-9	17-8-15
<b>EQUIPMENT &amp; TOOLS:</b>												
COMPUTERS (AS PER DETAILS BELOW)	50%	42,01,578	0	0	42,01,578	41,88,695	6,442			41,95,137	12,883	6,441
OTHER TOOLS & EQUIPMENTS (AS PER DETAILS BELOW)	25%	23,07,469	0	0	23,07,469	20,98,962	52,128			21,51,090	2,08,507	1,56,379
<b>TOTAL</b>		<b>65,09,047</b>	<b>0</b>	<b>0</b>	<b>65,09,047</b>	<b>62,87,657</b>	<b>58,570</b>	<b>0</b>	<b>0</b>	<b>63,46,227</b>	<b>2,21,390</b>	<b>1,62,820</b>



PARTICULARS	DEPR. RATE	COST 01.04.2019	ADDITIONS 2019-20	DELETIONS 2019-20	COST 31.03.2020	DEPRECIATION FUND					WDV 01.04.2019	WDV 31.03.2020
						DEP. FUND 01.04.2019	DEPR. 2019-20	ADDITIONS (EXCLUDING TRANSFER)	DELETIONS 2019-20	DEPR. FUND 31.03.2020		
1	2	3	4	6	8=3+4+5+7	5	10 = (9-9-10-11+12+13)*2	11	13	14	16=9-9	17=8-15
<b>EQUIPMENT &amp; TOOLS:</b>												
<b>COMPUTERS:</b>												
COMPUTERS	50%	29,62,550	0	0	29,62,550	4,924	0	0	0	29,57,627	9,847	4,923
COMPUTER EQUIPMENTS	50%	12,39,028	0	0	12,39,028	1,518	0	0	0	12,37,510	3,036	1,518
<b>TOTAL</b>		<b>42,01,578</b>	<b>0</b>	<b>0</b>	<b>42,01,578</b>	<b>6,442</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>41,95,137</b>	<b>12,883</b>	<b>6,441</b>
<b>OTHER TOOLS &amp; EQUIPMENTS:</b>												
WATER PURIFIER	25%	87,650	0	0	87,650	1,715	0	0	0	82,505	6,860	5,145
XEROX MACHINE	25%	1,37,320	0	0	1,37,320	2,897	0	0	0	1,28,630	11,587	8,690
DIESEL GENERATOR SET	25%	6,10,238	0	0	6,10,238	5,64,419	0	0	0	5,75,874	45,819	34,364
FIRE EXTINGUISHER	25%	42,385	0	0	42,385	1,342	0	0	0	36,360	5,367	4,025
UPS SYSTEM	25%	1,99,300	0	0	1,99,300	3,944	0	0	0	1,87,469	15,775	11,631
SOUND SYSTEMS	25%	60,650	0	0	60,650	1,138	0	0	0	57,235	4,553	3,415
OTHER TOOLS & EQUIPMENTS	25%	11,69,926	0	0	11,69,926	29,637	0	0	0	10,81,017	1,18,546	88,909
<b>TOTAL</b>		<b>23,07,469</b>	<b>0</b>	<b>0</b>	<b>23,07,469</b>	<b>52,128</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>21,51,090</b>	<b>2,08,507</b>	<b>1,56,379</b>

**SCHEDULE NO.- 2 : ANY OTHER FUNDS**

PARTICULARS	AMOUNT (RS.)	AMOUNT (RS.)
Building Fund		3,00,000
Library Fund		75,000
Deficit Fund		50,000
<b>TOTAL</b>		<b>4,25,000</b>

**SCHEDULE NO.- 3 : LOANS FROM OTHERS**

PARTICULARS	AMOUNT (RS.)	AMOUNT (RS.)
<b>A] WORKING CAPITAL LOAN :</b>		
Bank of India		4,25,000
<b>TOTAL</b>		<b>4,25,000</b>

**SCHEDULE NO.- 4 : LIABILITIES FOR RENT & OTHER DEPOSITS**

PARTICULARS	AMOUNT (RS.)	AMOUNT (RS.)
Deposits from Students		6,71,950
<b>TOTAL</b>		<b>6,71,950</b>

**SCHEDULE NO.- 5 : LIABILITIES FOR SUNDRY CREDIT BALANCES**

PARTICULARS	AMOUNT (RS.)	AMOUNT (RS.)
<b>SUNDRY CREDITORS</b>		29,65,739
<b>TAX DEDUCTED AT SOURCE (TDS) :</b>		
TDS on Salary	71,500	
TDS on Payments to Professionals	5,556	
TDS on Payments to Contractors	1,124	
	78,180	78,180
<b>OTHER LIABILITIES :</b>		
Fee Refundable	2,08,783	
Provident Fund (Employees' Contribution)	1,86,872	
Profession Tax	1,40,400	
Other Liabilities	7,75,752	13,11,807
<b>TOTAL</b>		<b>43,55,726</b>



**SCHEDULE NO.- 6 : INVESTMENTS & DEPOSITS**

<b>PARTICULARS</b>	<b>AMOUNT (RS.)</b>	<b>AMOUNT (RS.)</b>
<b>INVESTMENTS</b>		
<b>FIXED DEPOSITS WITH BANKS</b>		
<b>Other Fixed Deposits</b>		
Bank of India		9,00,000
<b>Total Fixed Deposits</b>		<b>9,00,000</b>
<b>TOTAL</b>		<b>9,00,000</b>

**SCHEDULE NO. 7 : CASH & BANK BALANCES**

<b>PARTICULARS</b>	<b>AMOUNT (RS.)</b>	<b>AMOUNT (RS.)</b>
<b>CASH IN HAND</b>		10,33,947
<b>BANK BALANCES :</b>		
<b>In Current Accounts</b>		
Central Bank of India	2,120	
Bank of Maharashtra	33,869	
HDFC Bank	420	
Bank of India	31,000	67,409
<b>TOTAL</b>		<b>11,01,356</b>

**SCHEDULE NO.- 8 : ESTABLISHMENT EXPENSES**

<b>PARTICULARS</b>	<b>AMOUNT (RS.)</b>	<b>AMOUNT (RS.)</b>
<b>Advertisement and Publicity</b>		55,975
<b>Interest on Working Capital Loans</b>		28,645
<b>Bank Charges &amp; Commissions</b>		5,572
<b>Legal and Consultation Charges</b>		47,000
<b>Insurance Charges (Other than on Vehicle)</b>		19,536
<b>Repairs &amp; Maintenance</b>		
Repairs & Maintenance to Building	54,200	
Repairs & Maintenance to Other Assets	34,698	
		88,898
<b>Electricity Expenses</b>		
Electricity Charges		10,00,727
<b>Administrative &amp; General Expenses</b>		
Office Expenses	1,98,206	
Postage & Telephone Expenses	15,130	
		2,13,336
<b>TOTAL</b>		<b>14,59,689</b>



**SCHEDULE NO.- 9 : EDUCATIONAL EXPENSES**

<b>PARTICULARS</b>	<b>AMOUNT (RS.)</b>	<b>AMOUNT (RS.)</b>
<b>Employee Costs</b>		
Salaries & Wages	29,09,609	
Contribution to P.F. & Pension Fund	1,19,508	
Administrative Expenses for P.F.	1,198	
Staff Welfare	2,596	30,32,911
<b>Internet Charges</b>		2,23,803
<b>Affiliation &amp; Recognition Expenses</b>		1,00,000
<b>Consumables</b>		20,650
<b>Newspapers, Periodicals &amp; Journals</b>		22,967
<b>Student Welfare Expenses</b>		32,51,500
<b>Remuneration to Visiting Faculty</b>		65,140
<b>TOTAL</b>		<b>67,16,971</b>

**SCHEDULE NO.- 10 : INCOME FROM OTHER SOURCES**

<b>PARTICULARS</b>	<b>AMOUNT (RS.)</b>	<b>AMOUNT (RS.)</b>
<b>FEES INCOME</b>		
Tution Fees	93,45,455	
Development Fees	6,54,175	99,99,630
<b>OTHER INCOME</b>		
Miscellaneous Receipts	2,420	2,420
<b>TOTAL</b>		<b>,1,00,02,050</b>



**LIST OF SUNDRY CREDITORS :**

<b>SR. NO.</b>	<b>PARTICULARS</b>	<b>AMOUNT (RS.)</b>
1.	Ace Brain systems & softwares	2,59,172
2.	Bharat Books	60,000
3.	Tikona Infinite Pvt Ltd	11,800
4.	Net Check solution Ltd	3,86,469
5.	Xyloid Engineers	75,405
6.	Smita Consultancy services	17,750
7.	Cybernet	12,00,000
8.	Alpha Ink Pvt Ltd	79
9.	Canon India Pvt Ltd	7,340
10.	Eknath Shinde	1,25,730
11.	Jyoti Fire Enterprises	21,150
12.	Maharashtra Electronic Corporation	93,590
13.	Phoneix Marketing Services	68,000
14.	Rhino Internaton Agencies	49,653
15.	Shalu Music	60,000
16.	Shetty Tailors	2,02,836
17.	Tata Communication Ltd	2,10,308
18.	Mahalaxmi Garments	10,000
19.	Akrutha Communication	8,730
20.	G K Network Technology Pvt Ltd	1,150
21.	New Sonai Electricals & Engineers	4,698
22.	Omkar Engineering Works	437
23.	Pandit Automotive Pvt Ltd	12,342
24.	Laxmi Fabrication work	5,500
25.	Radiant Pest Control	3,600
26.	Surdeep Enterprises	70,000
27.	MSEDCL	
	<b>TOTAL</b>	<b>29,65,739</b>

## **LISTS**

### **1] Liabilities for Expenses**

<b>PARTICULARS</b>	<b>AMOUNT (RS.)</b>
Salary & Wages Payable	1,16,00,167
Provident Fund (Institute's Cont.) Payable	2,59,856
Admin. Charges to P.F. Payable	23,385
Other Expenses Payable (List)	76,800
<b>TOTAL</b>	<b>1,19,60,208</b>

**SCHEDULE NO. 11:- NOTES FORMING PART OF THE ACCOUNTS**

**1. Overview:-**

Sankalp Education Society ["Society"] is a Public Charitable Trust duly registered under the Societies Registration Act, 1860 and the Maharashtra Public Trusts Act, 1950. The Society is engaged in imparting education. It maintains separate books of account in respect of its various units and accordingly Statement of Accounts are drawn in respect of each unit. Sankalp Business School is one of the units of the Society which is mainly involved in imparting the education in the field of Management.

**2. 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 1<sup>st</sup> July 2016 passed a resolution in respect of the matters to be included in the Auditor's Report. Accordingly 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 from the Fees Regulating Authority.



- b) Accordingly the various courses run by Matrix School of Management Studies (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 Society 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 actual. 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. Software :-**

Expenditure on software 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 Liability for Gratuity for the year has been charged to Income & Expenditure A/c. The same is calculated on the rational assumption that all the employees retire on the Balance sheet date.

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

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

- i) Fees for academic year 2019-20 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.

### 3. Specific Funds :-

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

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

### 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. Balance Confirmations:

All balances in the personal accounts are subject to their confirmations and /or reconciliation.

As per our report of even date



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

Place : Pune  
Date : 17.12.2020

CA. K.S. Mali  
Proprietor M. No.042718  
UDIN : 20042718AAAAGM1080

For Sankalp  
Education  
Society

  
Amey Pasalkar  
Secretary