

SURESH & CO.
Chartered Accountants

'SRINIDHI', #43/61, 1st Floor,
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Bengaluru - 560 004

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INDEPENDENT AUDITOR'S REPORT

To the Trustees of Deshpande Educational Trust

Opinion

We have audited the accompanying financial statements of **Deshpande Educational Trust (PAN: AABTD4450G)** (hereinafter referred to as "*the Trust*") which comprises the Balance Sheet as at March 31, 2021, the Income and Expenditure Account and Receipts and Payments Account for the year then ended and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and explanations given to us, the aforesaid financial statements give a true and fair view of the financial position of the trust as at March 31, 2021 and of its financial performance being Excess of Expenditure Over Income (Deficit) for the year then ended in accordance with the requirements of the applicable Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) and in conformity with the accounting principles generally accepted in India.

Basis for Opinion

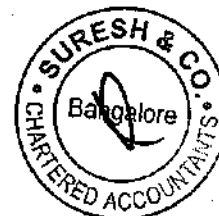
We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the entity in accordance with the Code of Ethics issued by ICAI, and we have fulfilled our other ethical responsibilities in accordance with 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 Trust's Management is responsible for the preparation of the financial statements in accordance with the provisions of the aforesaid generally accepted accounting principles and for such internal control as Trust's management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Trust's management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are also responsible for overseeing the trust's financial reporting process.



Auditor's Responsibility 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 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 judgement 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, but not for the purpose of expressing an opinion on the effectiveness of the trust's internal control.
- 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 Trust'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 auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

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.

for **SURESH & CO.**

Chartered Accountants

Firm Registration No.: 004255S


Udupi Vikram

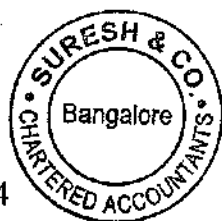
Partner

Membership No.: 227984

Bengaluru

August 03, 2021

UDIN: 21227984AAAAEL4121



DESHPANDE EDUCATIONAL TRUST
DCSE Building, BVB CET Campus, Vidyanagar, Hubli - 580031
BALANCE SHEET AS AT MARCH 31, 2021

PARTICULARS	SCH	AS AT March 31, 2021 Rs.	AS AT March 31, 2020 Rs.
<u>SOURCES OF FUNDS</u>			
Capital fund	A	168,222,637	(53,821,598)
Secured loans	B	13,338,121	105,406,821
Un secured loans	C	4,976,758	4,866,628
TOTAL		186,537,516	56,451,851
<u>APPLICATION OF FUNDS</u>			
<u>Fixed Assets</u>			
Gross block	D	26,746,344	25,639,682
Less: Accumulated depreciation		19,991,614	17,660,443
NET BLOCK		6,754,730	7,979,239
<u>Current Assets, Loans & Advances</u>			
Loans advances, deposits and current Assets	E	2,624,196	5,997,442
Cash & bank balances	F	187,357,718	54,370,433
TOTAL - 1		189,981,914	60,367,875
Less: <u>Current Liabilities</u>			
Current liabilities	G	9,408,518	8,095,189
Provisions	H	790,610	3,800,074
TOTAL - 2		10,199,128	11,895,263
NET CURRENT ASSETS (1-2)		179,782,786	48,472,612
TOTAL		186,537,516	56,451,851
Significant Accounting Policies & Notes on Accounts	1 & 2		

Schedules A to N forms an integral part of Accounts

As per our report of even date attached

For **SURESH & CO.**
Chartered Accountants
FRN: 004255S

Udupi Vikram
Partner
Membership No.: 227984
Place: Bengaluru
Date: 03/08/2021



For **DESHPANDE EDUCATIONAL TRUST**

Managing Trustee **Trustee**

Place: Hubli
Date: 03/08/2021

Place: Bengaluru
Date: 03/08/2021



DESHPANDE EDUCATIONAL TRUST
DCSE Building, BVB CET Campus, Vidyanagar, Hubli - 580031
Income & Expenditure Account for the year ended on March 31, 2021

PARTICULARS	SCH	YEAR ENDED March 31, 2021 Rs.	YEAR ENDED March 31, 2020 Rs.
<u>INCOME</u>			
Revenue from Skill Training Programs	I	14,784,350	36,479,340
Voluntary Contributions/Sponsorships/Grants		15,238,337	22,749,660
Interest and Other Incomes	J	5,826,782	3,078,893
TOTAL - A		35,849,469	62,307,893
<u>EXPENDITURE</u>			
Skill development & other programme expenses	K	1,406,567	5,697,258
Employee cost and benefits	L	44,334,886	50,833,249
Administration and other operating expenses	M	19,264,940	23,007,420
Finance cost	N	3,986,936	7,321,063
Depreciation on fixed assets	D	2,331,171	3,173,857
TOTAL - B		71,324,500	90,032,847
9. Excess of Income Over Expenditure Transferred to Capital Fund (A-B) - Surplus/(Deficit)		(35,475,031)	(27,724,954)
Significant Accounting Policies & Notes on Accounts	1 & 2		

Schedule A to N forms an integral part of Accounts

As per our report of even date attached

For **SURESH & CO.**
Chartered Accountants
FRN: 0042555





Udipi Vikram
Partner
Membership No.: 227984
Place: Bengaluru
Date: 03/08/2021

For **DESHPANDE EDUCATIONAL TRUST**

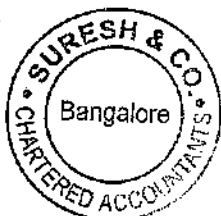
 



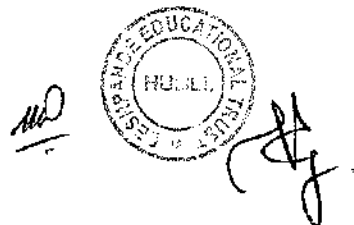
Managing Trustee **Trustee**
Place: Hubli
Date: 03/08/2021

Place: Bengaluru
Date: 03/08/2021

DESHPANDE EDUCATIONAL TRUST		
Schedules to and forming part of the financial statement for the year ended March 31, 2021		
PARTICULARS	AS AT March 31, 2021 Rs.	AS AT March 31, 2020 Rs.
SCHEDULE - A		
<u>CAPITAL FUND</u>		
Opening balance	(53,821,598)	(33,286,579)
Add: Corpus grant received during the year	257,519,266	7,189,935
	203,697,668	(26,096,644)
Less: Excess of Expenditure over income	35,475,031	27,724,954
Closing balance	168,222,637	(53,821,598)
SCHEDULE - B		
<u>Secured Loans</u>		
<u>Over Draft</u>		
Canara bank (Secured by fixed deposits held in the name of Trust)	13,329,297	19,594,021
Yes bank (Secured by fixed deposits held in the name of one of the relatives of the Trustee)	-	85,812,800
Kotak Credit card	8,824	-
TOTAL	13,338,121	105,406,821
SCHEDULE - C		
<u>Unsecured Loans</u>		
Deshpande Foundation	4,976,758	4,866,628
TOTAL	4,976,758	4,866,628
SCHEDULE - D		
<u>Fixed assets (Details given in separate sheet)</u>		
	6,754,730	7,979,239
SCHEDULE - E		
<u>Loans Advances, Deposits and Current Assets</u>		
<u>Loans and advances</u>		
Loan to Foundation for Sandbox Startup Initiative	-	1,000,000
Office advance	18,220	104,893
Advance to suppliers	-	31,334
	18,220	1,136,227
<u>Deposits</u>		
Affiliation deposit with KUD	-	600,000
Gas deposit	15,000	15,000
P Khasim Khan - rent deposit	-	1,512,258
Electricity deposit	-	22,400
	15,000	2,149,658



DESHPANDE EDUCATIONAL TRUST		
Schedules to and forming part of the financial statement for the year ended March 31, 2021		
PARTICULARS	AS AT March 31, 2021 Rs.	AS AT March 31, 2020 Rs.
Balance with revenue authority		
TDS receivable	1,032,689	841,078
Income tax deposit (refer note 1.e)	1,184,355	1,184,355
	2,217,044	2,025,433
Other current assets		
Prepaid expenses	373,932	292,204
EPF on arrears of salary - recoverable from employees	-	337,558
Service tax & rent receivable - nano pix	-	56,362
	373,932	686,124
TOTAL	2,624,196	5,997,442
SCHEDULE - F		
Cash and bank balances		
Cash on hand	5,000	55,000
Cash at bank		
In savings bank accounts	156,735,151	25,311,222
In fixed deposits	30,617,567	29,004,211
TOTAL	187,357,718	54,370,433
SCHEDULE - G		
Current Liabilities		
Employee dues		
Salary, stipend, bonus & other payable	61,065	939,242
Salary recoveries payable	-	24,783
	61,065	964,025
Statutory dues		
Tax deducted at source dues	63,078	98,992
ESIC contributions	80,960	100,661
Professional tax	25,200	26,200
Provident fund	1,146,296	1,665,489
GST 18% (RCM)	48,371	409,464
	1,363,905	2,300,806
Deposits		
Canteen deposit	2,000,000	2,000,000
Library book deposit	6,900	4,000
	2,006,900	2,004,000



DESHPANDE EDUCATIONAL TRUST
Schedules to and forming part of the financial statement for the year
ended March 31, 2021

PARTICULARS	AS AT March 31, 2021 Rs.	AS AT March 31, 2020 Rs.
Creditors for expenses		
Telephone, internet & broad band charges payable	-	34,943
Electricity charges payable	427,833	703,616
Statutory audit fees payable	241,975	211,000
Internal audit fee payable- SDU	138,125	162,000
Claims Under Settlement-Gratuity	43,269	-
Other expenses payable	490,808	522,964
Other payables	1,326,232	553,944
	2,668,242	2,188,467
Other liability		
Interest accrued but not due	-	637,891
Covid Fund - salary recoveries	231,703	-
Unspent Grant	3,076,703	-
	3,308,406	637,891
TOTAL	9,408,518	8,095,189
SCHEDULE - H		
Provisions		
Provision for leave encashments	1,795,172	1,491,404
Provision for gratuity	(1,004,562)	2,308,670
TOTAL	790,610	3,800,074



DESHPANDE EDUCATIONAL TRUST		
Schedules to and forming part of the financial statement for the year ended March 31, 2021		
PARTICULARS	YEAR ENDED March 31, 2021 Rs.	YEAR ENDED March 31, 2020 Rs.
SCHEDULE - I		
<u>Revenue from Skill Training Programs</u>		
Skill training programs	11,069,500	24,144,325
Up-skilling & registrations	-	654,650
Rental from hostel	2,358,100	6,663,700
Income from other program	1,356,750	5,016,665
TOTAL	14,784,350	36,479,340
SCHEDULE - J		
<u>Interest and Other Incomes</u>		
Interest from - savings bank A/c	2,782,080	626,882
Interest on fixed deposit	1,829,867	1,891,143
Other income	207,732	121,519
Liabilities no longer payable	1,007,103	-
Leave encashment provision written back	-	439,349
TOTAL	5,826,782	3,078,893
SCHEDULE - K		
<u>Skill Development & Other Programme Expenses</u>		
University affiliation fees	60,000	100,000
Event expenses	-	288,821
Hostel & other rent	12	727,754
Student welfare	55,205	68,154
Guest expenses	72,353	367,672
Orientation kits & training aides	576,793	1,087,171
External trainer expenses	-	1,288,965
Publicity, outreach & information's	642,204	1,768,721
TOTAL	1,406,567	5,697,258
SCHEDULE - L		
<u>Employee cost and benefits</u>		
Salaries and wages	36,872,141	39,582,123
Trainers stipend	673,819	2,067,429
Bonus & incentives	40,000	251,467
Employee leave encashment	550,016	-
Employee gratuity	714,756	2,308,670
ESI- employer contributions	866,660	1,258,669
BPF- employer contributions	4,367,275	4,777,258
Staff welfare	250,219	587,633
TOTAL	44,334,886	50,833,249



DESHPANDE EDUCATIONAL TRUST

Schedules to and forming part of the financial statement for the year
ended March 31, 2021

PARTICULARS	YEAR ENDED March 31, 2021 Rs.	YEAR ENDED March 31, 2020 Rs.
SCHEDULE – M		
Administration and Other Operating Expenses		
Electricity and water charges	3,766,570	5,522,298
Telephone, internet & postage	1,378,376	1,681,751
Books, periodicals & subscriptions	7,671	85,848
Printing & office supplies	327,568	551,876
Security & house keeping charges	7,306,620	9,997,382
Travelling & conveyance	576,184	1,172,333
Repair & maintenance-building	1,449,105	1,994,947
Vehicle maintenance	205,453	327,902
Rates & taxes	536,531	49,572
Professional charges		
Audit fees -statutory audit	236,000	236,000
Internal audit fees	354,000	354,000
Legal & other professional charges	1,397,168	1,033,512
Bad debts	1,723,694	-
TOTAL	19,264,940	23,007,420
SCHEDULE – N		
Finance Cost		
Bank charges	41,027	48,933
Interest on overdraft	3,945,909	7,272,130
TOTAL	3,986,936	7,321,063



DESIPANDE EDUCATIONAL TRUST

SCHEDULE - D SCHEDULE OF FIXED ASSETS AS ON 31ST MARCH 2021

Amounts in Rs.

PARTICULARS	RATE %	GROSS BLOCK				DEPRECIATION BLOCK			NET BLOCK	
		AS AT 01.04.2020	ADDITIONS DURING THE YEAR		DELETIONS/ADJUSTMENTS DURING THE YEAR	AS AT 01.04.2020	FOR THE YEAR	AS AT 31.03.2021	AS AT	AS AT
			I HALF	II HALF					31.03.2021	31.03.2020
COMPUTERS, SOFTWARE AND ACCESSORIES	40%	18,730,816	146,082	225,636	-	14,699,649	1,719,197	16,418,846	2,683,688	4,031,167
FURNITURE & FIXTURES	10%	1,459,806	-	6,510	-	384,830	107,826	492,656	973,660	1,074,976
VEHICLE	15%	3,668,375	-	-	-	2,062,407	240,896	2,303,303	1,365,072	1,605,968
OFFICE/TRAINING EQUIPMENT	15%	1,780,685	47,876	82,298	-	513,557	203,426	716,983	1,193,876	1,267,128
LEASEHOLD IMPROVEMENTS	10%	-	598,260	-	-	-	59,826	59,826	538,434	-
TOTAL		25,639,682	792,218	314,444	-	17,660,443	2,331,171	19,991,614	6,754,730	7,979,239
PREVIOUS YEAR		22,068,171	1,958,049	241,059	-	9,698,096	4,788,490	14,487,586	9,780,693	



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DESHPANDE EDUCATIONAL TRUST
DCSE Building, BVB CET Campus, Vidyanagar, Hubli - 580031
Receipts and Payment Account for the year ended on March 31, 2021

PARTICULARS	ANX	YEAR ENDED March 31, 2021 Rs.	YEAR ENDED March 31, 2020 Rs.
OPENING BALANCE			
Cash and bank balances - including overdraft facility	1	(80,040,600)	(56,925,773)
ADD: RECEIPTS			
Revenue from skill training programs	2	14,784,350	36,479,340
Voluntary contributions/sponsorships		18,315,040	22,749,660
Corpus fund contributions		257,519,266	7,189,935
Unsecured loan - Deshpande Foundation		-	(35,504)
Security deposits & other dues		2,900	(898,230)
Interest and other receipts	3	5,635,171	2,641,511
TOTAL		216,216,127	11,200,939
LESS: PAYMENTS			
Skill development & other programme	4	1,406,555	5,851,014
Trainers & other employee cost and benefits	5	48,598,076	50,393,792
Administration and other operating expenses	6	17,382,997	23,971,887
Finance cost	7	4,624,827	6,683,172
Additions to fixed deposits	8	1,613,356	1,681,254
Additions to fixed assets	9	1,106,662	1,372,403
Other payments	10	(1,918,376)	1,288,017
TOTAL		72,814,097	91,241,539
CLOSING BALANCE			
Cash and Bank Balances (Including Overdraft Facility)	1	143,402,030	(80,040,600)

Annexures 1 to 10 forms an integral part of financial statement

As per our report of even date attached
For **SURESH & CO.**
Chartered Accountants
FRN: 004255S

Udupi Vikram
Partner
Membership No.: 227984
Place: Bengaluru
Date: 03/08/2021



For **DESHPANDE EDUCATIONAL TRUST**

Managing Trustee

Place: Hubli
Date: 03/08/2021

Trustee

Place: Bengaluru
Date: 03/08/2021



DESHPANDE EDUCATIONAL TRUST		
ANNEXURES TO RECEIPTS & PAYMENTS A/C FOR THE YEAR ENDED MARCH 31, 2021		
PARTICULARS	YEAR ENDED March 31, 2021 Rs.	YEAR ENDED March 31, 2020 Rs.
ANNEXURE-1		
Cash and Bank Balances		
i. Cash on hand	5,000	55,000
ii. Cash at saving bank	156,735,151	25,311,222
iii. Bank over draft	(13,338,121)	(105,406,821)
TOTAL	143,402,030	(80,040,600)
ANNEXURE-2		
Revenue from Skill Training Programs		
Skill training programs	11,069,500	24,144,325
Rental from Hostel	2,358,100	6,663,700
Up-skilling & registrations	-	654,650
Income from other program	1,356,750	5,016,665
TOTAL	14,784,350	36,479,340
ANNEXURE-3		
Interest and Other Receipts		
Interest from - Savings Bank A/c	2,782,080	626,882
Interest on FD	1,638,256	1,893,110
Other income	1,214,835	121,519
TOTAL	5,635,171	2,641,511
ANNEXURE-4		
Skill Development & Other Programme Expenses		
University affiliation fees	60,000	100,000
Event expenses	-	288,821
Hostel & other rent	-	913,782
Student welfare	55,205	68,154
Guest expenses	72,353	367,672
Orientation kits & training aides	576,793	1,087,171
External trainer expenses	-	945,965
Publicity, outreach & information's	642,204	2,079,449
TOTAL	1,406,555	5,851,014
ANNEXURE-5		
Trainers & Other Employee Cost and Benefits		
Salaries and wages	37,781,419	41,775,686
Trainers stipend	673,819	2,067,429
Bonus & incentives	40,000	251,467
Employee Leave Encashment	246,248	229,511
Employee gratuity	3,984,719	-
ESI- employer contributions	886,361	1,348,482
EPPF- employer contributions	4,666,972	4,038,099
Staff welfare	318,538	683,118
TOTAL	48,598,076	50,393,792



DESHPANDE EDUCATIONAL TRUST		
ANNEXURES TO RECEIPTS & PAYMENTS A/C FOR THE YEAR ENDED MARCH 31, 2021		
PARTICULARS	YEAR ENDED March 31, 2021 Rs.	YEAR ENDED March 31, 2020 Rs.
ANNEXURE-6		
Administration and Other Operating expenses		
Electricity & Water Charges	3,932,235	5,105,710
Telephone, Internet & Postage	1,384,207	1,705,813
Books, Periodicals & Subscriptions	7,671	85,848
Printing & Office Supplies	346,776	550,925
Security & House Keeping Charges	7,208,095	11,504,248
Travelling & Conveyance	525,048	1,194,974
Repair & Maintenance	1,472,645	2,033,424
Rates & Taxes	536,531	49,572
Vehicle Maintenance	205,453	327,291
Professional charges		
Audit Fees -Statutory Audit	205,025	125,440
Internal Audit Fees	377,875	300,000
Legal & Other Professional Charges	1,181,436	988,643
TOTAL	17,382,997	23,971,887
ANNEXURE-7		
Finance Cost		
Bank Charges	41,027	48,933
Interest on Overdraft	4,583,800	6,634,239
TOTAL	4,624,827	6,683,172
ANNEXURE-8		
Additions to Fixed Deposits		
TOTAL	1,613,356	1,681,254
ANNEXURE-9		
Additions to Fixed Assets		
Computers & Software	371,718	314,160
Furnitures & Fixtures	6,510	514,000
Office Equipment	130,174	544,243
Leasehold Improvement	598,260	-
TOTAL	1,106,662	1,372,403
ANNEXURE-10		
Other: Payments/Receipts		
TDS on Income	-	92,261
P Khasim Khan - Rent Deposit	-	(87,742)
Loan to Foundation for Sandbox Startup Initiative	(1,000,000)	-
Affiliation deposit with KUD	(600,000)	-
Office advance	(86,673)	99,143
Other Payables	(231,703)	-
Income tax deposit (refer note 1.e)	-	1,184,355
TOTAL	(1,918,376)	1,288,017






DESHPANDE EDUCATIONAL TRUST

Schedule – 1&2: Significant Accounting Policies and Notes forming part of the financial statements for the year ended on March 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES:

Basis of preparation

The financial statements have been prepared under the historical cost convention. The financial statements are prepared in accordance with the applicable generally accepted accounting practices in India. Revenues are recognized and accounted on Cash basis. Expenses are recognized and accounted on the Accrual basis.

Revenue Recognition:

All Income & Other Fees are recognized on receipt basis as there exists no virtual certainty on the recoverability of the balance amount at the time of raising an Invoice.

All the expenses are recognized under accrual system of accounting.

Fixed Assets and Depreciation

Fixed assets are stated at cost of acquisition inclusive of freight, duties, taxes and interest on borrowed money allocated to and utilised for fixed assets, pertaining up to the date of capitalization.

From the financial year 2016-17, the Trust has adopted the policy of charging off of the value of fixed assets to Capital Grant/Donations or program expenses, where the cost of such assets met out of Capital or Program Grants/Donations.

In case of cost of assets are met out of Capital Grants/Donation, the value of the assets will be adjusted against the respective Capital Grant/Donation and in case of the assets acquired as part of the program/project expenses, cost of such assets included in the expenses of respective programs/projects.

However, in both the above cases, for the purposes of exercising control over the assets and identification of these assets, these assets will be carried at a Nominal Value of Re.1/- for each of the items of the asset.

Depreciation

Depreciation on the Assets is generally charged at the rates specified in the Income Tax Act, 1961 and the rules framed there under using the Written Down Value method.

Incoming Funds

All incoming funds are categorized into 2 categories – Capital Funds and Current Funds. Contributions received specifically towards Corpus or Capital Fund of the Trust are directly credited to Capital Fund Account and decisions to utilize the funds credited to Capital Fund are taken at a meeting of the Trustees for allocation to projects, which comply with the objectives of the Trust.

Wherever Donors have specific requirements as to the treatment of the funds donated as Capital Fund, such funds will be accounted and shown separately.

Separate accounts are maintained for use of funds for projects from out of Capital Funds. Balance if any, at the end of the completion of specific projects are transferred back to Capital Fund Account.



DESHPANDE EDUCATIONAL TRUST

Schedule – 1&2: Significant Accounting Policies and Notes forming part of the financial statements for the year ended on March 31, 2021

Current Funds are funds which are received for general purposes and applied to all other activities of the Trust including specific projects and are accounted as Voluntary Contributions under Income and Expenditure Account. Funds received under Current Fund Account are to be considered for application to the activities relating to the objects of the Trust as required under the provisions of Income Tax Act, 1961 and rules framed there under.

Funds may be transferred between Long Term Capital Fund Account to Current Fund Account but not vice-versa.

In terms of the ICAI Guidelines Trust has adopted the policy of recognizing revenue grants/donations as "Restricted Grants/Donations" & "Non-restricted Grants/Donations" and adopted the following accounting treatments:

- To the extent of utilized portion of the Restricted Grants are treated of the revenue of the year in which the same is received and unutilised portion will be treated as a Current Liability under the head "Un-utilized Grants/Sponsorships".
- Non-restricted Grants are treated as revenue of the year in which the same is received.
- Any surplus funds available with the Trust shall be invested in accordance with the provisions of Section 11(5) of the Income Tax Act, 1961 and rules framed there under in the securities/other modes specified therein.

Investments:

- I. Long term Investments are valued at cost and only permanent reduction in the value of such investments will be recognized in the books.
- II. Short Term Investments are valued at Cost or net realizable value, whichever is lower.

Employee Benefits

a. Defined-contribution plans

Trust's contributions to the Employees' Provident Fund and Employees' Pension Scheme are as per statute, as may be applicable, and are recognized as expenses in the Income and Expenditure account.

b. Defined – Benefit plans

- c. Liability towards gratuity is accrued based on actuarial valuations at the balance sheet date, carried out by an independent actuary. Actuarial Gains or Losses are recognized immediately in the Income and Expenditure account as income or expense. Further, based on such actuarial valuation the Gratuity Liabilities are settled to LIC of India as Gratuity Policy contributions.

d. Short term employee benefits

Liability towards short term employee benefits like salaries, social security contributions, short term compensated absences (such as paid annual leave), where the absences are expected to occur within twelve months or after the end of the period in which the employees render the related services and bonus /performance incentives etc., are recognized, during the period when the employee renders the services.



DESHPANDE EDUCATIONAL TRUST

Schedule – 1&2: Significant Accounting Policies and Notes forming part of the financial statements for the year ended on March 31, 2021

e. Leave Encashment

From the financial year 2018-19, the Trust has adopted the policy of allowing the employees, the benefit of carrying forward of accrued paid leaves to the maximum of 30 days over the period of their employment.

f. Provisions and Contingent Liabilities:

The trust having contingent liability towards demand under section 156 of the income tax act,1961 for the AY 2016-17 of Rs.72,09,898/-, where the Trust has challenged the same with higher authorities and the trust has paid pre deposit of amount of Rs. 10,81,485/- during the FY 2019-20.

2. NOTE TO AND FORMING PART OF ACCOUNTS:

	Amount in Rs.
2.1 Claims against the Trust not acknowledged as Debt	NIL (NIL)
2.2 Contingency Liabilities not provided in the Books	NIL (72,09,898/-)

2.3 Related Party disclosure

SL. No.	Name of the Entity	Nature of Transactions	Amount in Rs.
1	Deshpande Foundation	Corpus in nature(Grant receipt) Revenue in nature(Grant Receipt) Rent expense Unsecured Loan (Net)	14,00,00,000 (22,500,000) 1,83,15,040 12/- (12/-) 49,76,758/- (48,66,628/-)
2	Foundation For Sandboxstartup Initiatives	Loan given	00.00/- (10,00,000/-)

2.4 Employee Benefits:

The Trust has adopted revised Accounting Standard (AS) 15 on Employee Benefits prescribed by ICAI. The details of the same are as follows:

a. Defined Contribution Plans:

The Trust has registered under the provisions of the Employees' Provident Fund Act, 1952 and has been contributing to the defined contribution plan as per provisions of Employees' Provident Fund Scheme.

b. Defined Benefit Plans

Disclosures as required in the AS15-R are given below:

Reconciliation of opening and closing balances of the present value of the defined benefit obligation:




DESHPANDE EDUCATIONAL TRUST

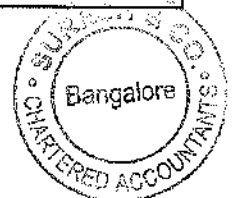
Schedule – 1&2: Significant Accounting Policies and Notes forming part of the financial statements for the year ended on March 31, 2021

Sl. No.	Particulars	As At 31.03.2021 Rs.	As at 31.03.2020 Rs.
1.	Assumptions		
	Discount Rate	7.11%	6.79%
	Salary Escalation	7.00%	7.00%
2.	Table Showing changes in present value of Obligation		
	Present value of obligations as at beginning of year	53,01,924	22,17,377
	Interest cost	3,57,063	1,65,263
	Current Service Cost	13,05,882	14,79,903
	Benefits Paid	(86,538)	(27,734)
	Actuarial (gain)/ loss on obligations	(7,15,722)	14,67,115
	Present value of obligations as at end of year	61,62,608	53,01,924
3.	Table showing changes in the fair value of plan assets		
	Fair value of plan assets at beginning of year	29,93,255	28,55,957
	Expected return on plan assets	3,39,992	2,13,157
	Contributions	40,27,988	NIL
	Benefits Paid	(86,538)	(27,734)
	Actuarial gain/(loss) on Plan assets	(104,589)	(48,125)
	Fair value of Plan assets at the end of the year	71,67,171	29,93,255
4.	Table showing fair value of plan assets		
	Fair value of plan assets at beginning of year	29,93,255	28,55,957
	Actual return on plan assets	3,37,054	2,13,157
	Contributions	40,27,988	NIL
	Benefits Paid	(86,538)	(27,734)
	Actuarial gain/(loss) on Plan assets		
	Fair value of plan assets at the end of year	71,67,171	29,93,255
	Fund Status	10,04,563	(23,08,669)
	Excess of Actual over estimated return on plan assets	NIL	NIL
5.	Actuarial Gain/Loss recognized		
	Actuarial (gain)/ loss on obligations	(6,11,134)	(15,15,240)
	Actuarial (gain)/ loss for the year - plan assets	NIL	NIL
	Total (gain)/ loss for the year	(6,11,134)	(15,15,240)
	Actuarial (gain)/ loss recognized in the year	((6,11,134)	(15,15,240)
6.	The amounts to be recognized in the Balance Sheet and Income & Expenditure Account		
	Present value of obligations as at the end of year	61,62,608	53,01,924
	Fair value of plan assets as at the end of the year	73,67,171	29,93,255

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DESHPANDE EDUCATIONAL TRUST

Schedule – 1&2: Significant Accounting Policies and Notes forming part of the financial statements for the year ended on March 31, 2021

	Fund Status	10,04,563	(23,08,670)
	Net asset/(liability) recognized in balance sheet	10,04,563	(23,08,670)
7.	Expenses Recognised in statement of Profit and loss		
	Current Service cost	13,05,882	14,79,903
	Interest Cost	3,57,063	1,65,263
	Expected return on plan assets	3,37,054	2,13,157
	Net Actuarial (gain)/ loss recognized in the year	(7,15,722)	14,67,115
	Expenses recognised in statement of Profit and loss	7,14,756	29,47,250

Note: The above figures have been drawn from the information received from Armstrong International Employee benefits solution for establishing Group Gratuity Scheme. Accordingly, Trust has contributed to LIC towards Group Gratuity Scheme.

c. Leave Encashment Benefits

Sl. No.	Particulars	As At 31.03.2021 Rs.	As at 31.03.2020 Rs.
1.	Assumptions		
	Discount Rate	7.11%	6.79%
	Salary Escalation	7.00%	7.00%
2.	Table Showing changes in present value of Obligation		
	Present value of obligations as at beginning of year	14,91,404	21,60,264
	Interest cost	92,906	1,54,594
	Current Service Cost	7,29,274	4,92,696
	Benefits Paid	2,46,248	(2,73,571)
	Actuarial (gain)/ loss on obligations	(2,72,165)	(10,42,579)
	Present value of obligations as at end of year	17,95,172	14,91,404
3.	Table showing changes in the fair value of plan assets		
	Fair value of plan assets at beginning of year	NIL	NIL
	Expected return on plan assets	NIL	NIL
	Contributions	NIL	NIL
	Benefits Paid	(2,46,248)	(2,73,571)
	Actuarial gain/(loss) on Plan assets	NIL	NIL
	Fair value of Plan assets at the end of the year	NIL	NIL
4.	Table showing fair value of plan assets		
	Fair value of plan assets at beginning of year	NIL	NIL
	Actual return on plan assets	NIL	NIL

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DESHPANDE EDUCATIONAL TRUST

Schedule – 1&2: Significant Accounting Policies and Notes forming part of the financial statements for the year ended on March 31, 2021

	Contributions		NIL
	Benefits Paid	(2,46,248)	(2,73,571)
	Actuarial gain/(loss) on Plan assets	NIL	NIL
	Fair value of plan assets at the end of year	NIL	NIL
	Fund Status	(17,95,172)	(14,91,404)
	Excess of Actual over estimated return on plan assets	NIL	NIL
5.	Actuarial Gain/Loss recognized		
	Actuarial (gain)/ loss on obligations	(2,72,165)	(10,42,579)
	Actuarial (gain)/ loss for the year - plan assets		NIL
	Total (gain)/ loss for the year	(2,72,165)	(10,42,579)
	Actuarial (gain)/ loss recognized in the year	(2,72,165)	(10,42,579)
6.	The amounts to be recognized in the Balance Sheet and Income & Expenditure Account		
	Present value of obligations as at the end of year	17,95,172	14,91,404
	Fair value of plan assets as at the end of the year	NIL	NIL
	Fund Status	(17,95,172)	(14,91,404)
	Net asset/(liability) recognized in balance sheet	(17,95,172)	(14,91,404)
7.	Expenses Recognised in statement of Profit and loss		
	Current Service cost	7,29,274	492,696
	Interest Cost	92,906	154,594
	Expected return on plan assets	NIL	NIL
	Net Actuarial (gain)/ loss recognized in the year	(2,72,165)	(10,42,579)
	Expenses recognised in statement of Profit and loss	5,50,016	(3,95,289)

Note: The above figures have been drawn from the information received from Armstrong International Employee benefits solution.

2.4. The outbreak of Coronavirus (COVID-19) pandemic globally is causing a slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite period of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered disruptions to businesses worldwide, resulting in an economic slowdown and uncertainties pertaining to future operations.

The Trust has considered the possible effects that may result from COVID 19 on the carrying amount of receivables. In developing the assumption relating to the possible future uncertainties in the global conditions because of the pandemic, the Trust, as on date of approval of these financial statements has used various information, as available. The




DESHPANDE EDUCATIONAL TRUST

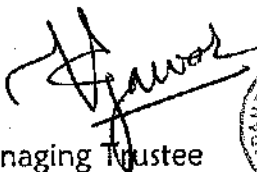
Schedule – 1&2: Significant Accounting Policies and Notes forming part of the financial statements for the year ended on March 31, 2021

trust has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered.
The impact of COVID 19 may differ from that estimated as at the date of approval of these financial statements.

2.5. Figures in brackets represent previous year/period figures

2.6 Previous year figures have been regrouped/ reclassified, wherever necessary to make it comparable with the figures of the Current Year.

For DESHPANDE EDUCATIONAL TRUST


Managing Trustee




Trustee

