

**SURESH & CO.**  
**Chartered Accountants**

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

Tele: 080-26623610/11  
email: info@sureshandco.com  
website: www.sureshandco.com

**INDEPENDENT AUDITOR'S REPORT**

To the Trustees of Deshpande Educational Trust.

**Report on the Audit of Financial Statements**

**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, 2020, 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, 2020 and of its financial performance being Excess of Expenditure Over Income (Deficit) for the year 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 Acts 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 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, 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.

*(This space is intentionally left blank)*



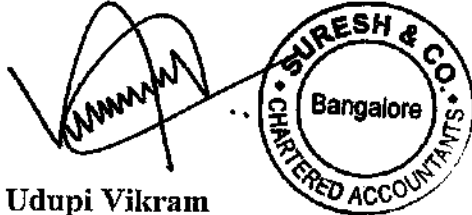
**Other Matters**

The financial statements of the trust for the year ended March 31, 2019, included in these financial statements, have been audited by the predecessor auditor who expressed an unmodified opinion on those statements on August 22, 2019.

*for* SURESH & CO.

Chartered Accountants

Firm Registration No.: 004255S

A handwritten signature in black ink is written over a circular stamp. The stamp contains the text "SURESH & CO." at the top, "Bangalore" in the center, and "CHARTERED ACCOUNTANTS" at the bottom.

Udipi Vikram

Partner

Membership No.: 227984

Bengaluru

August 27, 2020

UDIN: 20227984AAAADK8579

# DESHPANDE EDUCATIONAL TRUST

DCSE Building, BVB CET Campus, Vidyanagar, Hubli - 580031

## BALANCE SHEET AS AT MARCH 31, 2020

PARTICULARS	SCH	AS AT 31.03.2020 Rs.	AS AT 31.03.2019 Rs.
<b><u>SOURCES OF FUNDS</u></b>			
Capital fund	A	(5,38,21,598)	(3,32,86,579)
Secured loans	B	10,54,06,821	6,04,87,834
Un secured loans	C	48,66,628	49,02,132
<b>TOTAL</b>		<b>5,64,51,851</b>	<b>3,21,03,387</b>
<b><u>APPLICATION OF FUNDS</u></b>			
<b><u>Fixed Assets</u></b>			
Gross block	D	2,56,39,682	2,42,67,279
Less: Accumulated depreciation		1,76,60,443	1,44,86,586
<b>NET BLOCK</b>		<b>79,79,239</b>	<b>97,80,693</b>
<b><u>Current Assets, Loans &amp; Advances</u></b>			
Loans advances, deposits and current Assets	E	59,97,442	43,22,126
Cash & bank balances	F	5,43,70,433	3,08,85,019
<b>TOTAL - 1</b>		<b>6,03,67,875</b>	<b>3,52,07,145</b>
<b><u>Less: Current Liabilities</u></b>			
Current liabilities	G	80,95,189	1,07,24,187
Provisions	H	38,00,074	21,60,264
<b>TOTAL - 2</b>		<b>1,18,95,263</b>	<b>1,28,84,451</b>
<b>NET CURRENT ASSETS (1-2)</b>		<b>4,84,72,612</b>	<b>2,23,22,694</b>
<b>TOTAL</b>		<b>5,64,51,851</b>	<b>3,21,03,387</b>
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: 004253S

Udupi Vikram  
Partner  
Mem No.: 227984  
Place: Bengaluru  
Date



For DESHPANDE EDUCATIONAL TRUST

Managing Trustee

Place: Hubli  
Date 24.08.2020

Place: Bengaluru  
Date: 25.08.2020

# DESHPANDE EDUCATIONAL TRUST

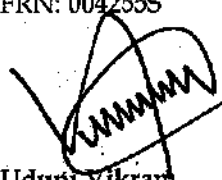
DCSE Building, BVB CET Campus, Vidyanagar, Hubli - 580031

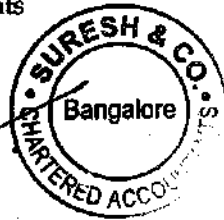
## Income & Expenditure Account for the year ended on March 31, 2020

PARTICULARS	SCH	FOR THE YEAR ENDED 31.03.2020 Rs.	FOR THE YEAR ENDED 31.03.2019 Rs.
<b><u>INCOME</u></b>			
Revenue from Skill Training Programs	I	3,64,79,340	4,78,31,919
Voluntary Contributions/Sponsorships/Grants		2,27,49,660	6,24,540
Interest and Other Incomes	J	30,78,893	18,49,699
<b>TOTAL - A</b>		<b>6,23,07,893</b>	<b>5,03,06,158</b>
<b><u>EXPENDITURE</u></b>			
Skill development & other programme expenses	K	56,97,258	71,73,737
Employee cost and benefits	L	5,08,33,249	6,18,16,086
Administration and other operating expenses	M	2,30,07,420	2,39,87,710
Finance cost	N	73,21,063	25,31,931
Depreciation on fixed assets	D	31,73,857	47,88,490
<b>TOTAL - B</b>		<b>9,00,32,847</b>	<b>10,02,97,954</b>
<b>9. Excess of Income Over Expenditure Transferred to Capital Fund (A-B) - Surplus/(Deficit)</b>		<b>(2,77,24,954)</b>	<b>(4,99,91,795)</b>
Significant Accounting Policies & Notes on Accounts	N		

Schedule 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  
Mem No.: 227984  
Place: Bengaluru  
Date

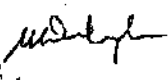


For DESHPANDE EDUCATIONAL TRUST

  
Managing Trustee

Place: Hubli  
Date 24.08.2020



  
Trustee  
Place: Bengaluru  
Date 25.08.2020

# DESHPANDE EDUCATIONAL TRUST

DCSE Building, BVB CET Campus, Vidyanagar, Hubli - 580031

## Receipts and Payment Account for the year ended on March 31, 2020

PARTICULARS	ANX	FOR THE YEAR ENDED 31.03.2020 Rs.	FOR THE YEAR ENDED 31.03.2019 Rs.
<b>OPENING BALANCE</b>			
Cash and bank balances - including overdraft facility	1	(5,69,25,773)	(97,65,036)
<b>ADD: RECEIPTS</b>			
Revenue from skill training programs	2	3,64,79,340	4,78,31,919
Voluntary contributions/sponsorships		2,27,49,660	6,24,540
Corpus fund contributions		71,89,935	-
Unsecured loan - Deshpande Foundation		(35,504)	49,02,132
Security deposits & other dues		(8,98,230)	29,02,230
Interest and other receipts	3	26,41,511	18,47,732
<b>TOTAL</b>		<b>1,12,00,939</b>	<b>4,83,43,517</b>
<b>LESS: PAYMENTS</b>			
Skill development & other programme	4	58,51,014	79,44,125
Trainers & other employee cost and benefits	5	5,03,93,792	6,32,53,292
Administration and other operating expenses	6	2,39,71,887	2,19,71,338
Finance cost	7	66,83,172	25,31,931
Additions to fixed deposits	8	16,81,254	38,89,437
Additions to fixed assets	9	13,72,403	29,37,752
Other payments	10	12,88,017	27,95,316
<b>TOTAL</b>		<b>9,12,41,539</b>	<b>10,53,23,190</b>
<b>CLOSING BALANCE</b>			
Cash and Bank Balances (Including Overdraft Facility)	1	(8,00,40,600)	(5,69,79,673)

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: 004253S

Udupi Vikram  
Partner  
Mem No.: 227984  
Place: Bengaluru  
Date



For DESHPANDE EDUCATIONAL TRUST

*[Signature]*  
Managing Trustee



Place: Hubli  
Date 24.08.2020

*[Signature]*  
Trustee  
Place: Bengaluru  
Date 25.08.2020

# DESHPANDE EDUCATIONAL TRUST

Schedules to and forming part of the financial statement for the year  
ended March 31, 2020


PARTICULARS	AS AT 31.03.2020 Rs.	AS AT 31.03.2019 Rs.
<b>SCHEDULE - A</b>		
<b><u>CAPITAL FUND</u></b>		
Opening balance	(3,32,86,579)	1,67,05,216
Add: Corpus grant received during the year	71,89,935	-
	(2,60,96,644)	1,67,05,216
Less: Excess of income over expenditure	2,77,24,954	4,99,91,795
Closing balance	(5,38,21,598)	(3,32,86,579)
<b>SCHEDULE - B</b>		
<b><u>Secured Loans</u></b>		
<b><u>Over Draft</u></b>		
Canara bank (Secured by fixed deposits held in the name of Trust)	1,95,94,021	1,62,19,826
Yes bank (Secured by fixed deposits held in the name of one of the relatives of the Trustee)	8,58,12,800	4,42,68,008
<b>TOTAL</b>	<b>10,54,06,821</b>	<b>6,04,87,834</b>
<b>SCHEDULE - C</b>		
<b><u>Unsecured Loans</u></b>		
Deshpande Foundation	48,66,628	49,02,132
<b>TOTAL</b>	<b>48,66,628</b>	<b>49,02,132</b>
<b>SCHEDULE - D</b>		
<b><u>Fixed assets (Details given in separate sheet)</u></b>		
	79,79,239	97,80,693
<b>SCHEDULE - E</b>		
<b><u>Loans Advances, Deposits and Current Assets</u></b>		
<b><u>Loans and advances</u></b>		
Loan to Foundation for Sandbox Startup Initiative	10,00,000	10,00,000
Office advance	1,04,893	5,750
Advance to suppliers	31,334	15,023
Star health & allied Insurance co	-	17,031
Salaries/Stipend recoverable	-	15,219
	<b>11,36,227</b>	<b>10,53,023</b>
<b><u>Deposits</u></b>		
Affiliation deposit with KUD	6,00,000	6,00,000
Gas deposit	15,000	15,000
P Khasim Khan - rent deposit	15,12,258	16,00,000
Electricity deposit	22,400	22,400
	<b>21,49,658</b>	<b>22,37,400</b>



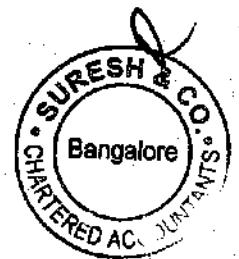

# DESHPANDE EDUCATIONAL TRUST

Schedules to and forming part of the financial statement for the year  
ended March 31, 2020

<b><u>Balance with revenue authority</u></b>		
TDS receivable	8,41,078	7,48,817
Income tax deposit (refer note 1.e)	11,84,355	-
	<b>20,25,433</b>	<b>7,48,817</b>
<b><u>Other current assets</u></b>		
Prepaid expenses	2,92,204	1,68,229
EPF on arrears of salary - recoverable from employees	3,37,558	56,328
Interest accrued on fixed deposit	-	1,967
Service tax & rent receivable - nano pix	56,362	56,362
	<b>6,86,124</b>	<b>2,82,886</b>
<b>TOTAL</b>	<b>59,97,442</b>	<b>43,22,126</b>
<b>SCHEDULE - F</b>		
<b><u>Cash and bank balances</u></b>		
Cash on hand	55,000	53,900
<b><u>Cash at bank</u></b>		
In savings bank accounts	2,53,11,222	35,08,161
In fixed deposits	2,90,04,211	2,73,22,957
<b>TOTAL</b>	<b>5,43,70,433</b>	<b>3,08,85,019</b>
<b>SCHEDULE - G</b>		
<b><u>Current Liabilities</u></b>		
<b><u>Employee dues</u></b>		
Salary, stipend, bonus & other payable	9,39,242	31,18,125
Salary recoveries payable	24,783	25,983
	<b>9,64,025</b>	<b>31,44,108</b>
<b><u>Statutory dues</u></b>		
Tax deducted at source dues	98,992	1,27,028
ESIC contributions	1,00,661	1,90,474
Professional tax	26,200	24,600
Provident fund	16,65,489	6,45,100
GST 18% (RCM)	4,09,464	-
	<b>23,00,806</b>	<b>9,87,202</b>
<b><u>Deposits</u></b>		
Canteen deposit	20,00,000	20,00,000
Library book deposit	4,000	500
	<b>20,04,000</b>	<b>20,00,500</b>








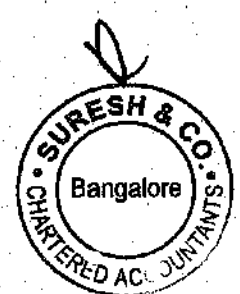


# DESHPANDE EDUCATIONAL TRUST

Schedules to and forming part of the financial statement for the year  
ended March 31, 2020

<u>Creditors for expenses</u>		
Telephone, internet & broad band charges payable	34,943	42,694
Electricity charges payable	7,03,616	3,49,236
Statutory audit fees payable	2,11,000	1,00,440
Internal audit fee payable- SDU	1,62,000	1,08,000
Rent payable	-	1,44,000
Security & house keeping charges payable	-	19,04,274
Other expenses payable	5,22,964	8,33,692
Other payables	5,53,944	2,08,311
	<b>21,88,467</b>	<b>36,90,647</b>
<u>Other liability</u>		
Interest accrued but not due	6,37,891	-
Kerala relief fund - salary recoveries	-	2,72,765
Kodagu relief fund - salary recoveries	-	6,28,965
	<b>6,37,891</b>	<b>9,01,730</b>
<b>TOTAL</b>	<b>80,95,189</b>	<b>1,07,24,187</b>
<u>SCHEDULE - H</u>		
<u>Provisions</u>		
Provision for leave encashments	14,91,404	21,60,264
Provision for gratuity	23,08,670	-
<b>TOTAL</b>	<b>38,00,074</b>	<b>21,60,264</b>



# DESHPANDE EDUCATIONAL TRUST

Schedules to and forming part of the financial statement for the year  
ended March 31, 2020

Particulars	For the Year Ended	
	31.03.2020 Rs.	31.03.2019 Rs.
<b>SCHEDULE - I</b>		
<b><u>Revenue from Skill Training Programs</u></b>		
Skill training programs	2,41,44,325	3,78,44,602
Up-skilling & registrations	6,54,650	6,28,452
Rental from hostel	66,63,700	88,91,610
Income from other program	50,16,665	4,67,255
<b>TOTAL</b>	<b>3,64,79,340</b>	<b>4,78,31,919</b>
<b>SCHEDULE - J</b>		
<b><u>Interest and Other Incomes</u></b>		
Interest from - savings bank A/c	6,26,882	81,087
Interest on fixed deposit	18,91,143	17,31,559
Excess provision withdrawn	-	14,895
Other income	1,21,519	22,159
Leave encashment provision written back	4,39,349	-
<b>TOTAL</b>	<b>30,78,893</b>	<b>18,49,699</b>
<b>SCHEDULE - K</b>		
<b><u>Skill Development &amp; Other Programme Expenses</u></b>		
Honorarium & scholarships	-	34,524
University affiliation fees	1,00,000	2,15,000
Event expenses	2,88,821	9,59,688
Hostel & other rent	7,27,754	16,51,610
Student welfare	68,154	1,56,755
Guest expenses	3,67,672	4,77,568
Orientation kits & training aides	10,87,171	14,54,028
External trainer expenses	12,88,965	-
Publicity, outreach & information's	17,68,721	22,24,564
<b>TOTAL</b>	<b>56,97,258</b>	<b>71,73,737</b>
<b>SCHEDULE - L</b>		
<b><u>Employee cost and benefits</u></b>		
Salaries and wages	3,95,82,123	3,83,49,634
Trainers stipend	20,67,429	1,33,99,214
Bonus & incentives	2,51,467	21,42,095
Employee leave encashment	-	21,60,264
Employee gratuity	23,08,670	12,69,398
ESI- employer contributions	12,58,669	17,76,869
EPF- employer contributions	47,77,258	18,01,421
Staff welfare	5,87,633	9,17,191
<b>TOTAL</b>	<b>5,08,33,249</b>	<b>6,18,16,086</b>

*(Handwritten signature)*



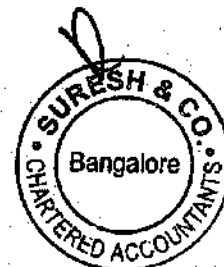
*(Handwritten signature)*



# DESHPANDE EDUCATIONAL TRUST

Schedules to and forming part of the financial statement for the year  
ended March 31, 2020

<b>SCHEDULE - M</b>		
<b><u>Administration and Other Operating Expenses</u></b>		
Electricity and water charges	55,22,298	61,33,940
Telephone, internet & postage	16,81,751	16,08,967
Books, periodicals & subscriptions	85,848	11,790
Printing & office supplies	5,51,876	11,29,260
Security & house keeping charges	99,97,382	82,29,402
Travelling & conveyance	11,72,333	21,36,122
Repair & maintenance-building	19,94,947	25,79,924
Vehicle maintenance	3,27,902	4,84,811
Rates & taxes	49,572	36,370
Prior period expenses	-	5,000
<b><u>Professional charges</u></b>		
Audit fees -statutory audit	2,36,000	1,09,740
Internal audit fees	3,54,000	3,54,000
Legal & other professional charges	10,33,512	11,68,384
<b>TOTAL</b>	<b>2,30,07,420</b>	<b>2,39,87,710</b>
<b>SCHEDULE - N</b>		
<b><u>Finance Cost</u></b>		
Bank charges	48,933	79,678
Interest on overdraft	72,72,130	24,52,253
<b>TOTAL</b>	<b>73,21,063</b>	<b>25,31,931</b>



# DESHPANDE EDUCATIONAL TRUST

ANNEXURES TO RECEIPTS & PAYMENTS A/C FOR THE YEAR ENDED 31.03.2020

PARTICULARS	For the Year Ended	
	31.03.2020 Rs	31.03.2019 Rs.
<b>ANNEXURE-1</b>		
<b><u>Cash and Bank Balances</u></b>		
i. Cash on hand	55,000	53,900
ii. Cash at saving bank	2,53,11,222	35,08,161
iii. Bank over draft	(10,54,06,821)	(6,04,87,834)
<b>TOTAL</b>	<b>(8,00,40,600)</b>	<b>(5,69,25,773)</b>
<b>ANNEXURE-2</b>		
<b><u>Revenue from Skill Training Programs</u></b>		
Skill training programs	2,41,44,325	3,80,29,777
Rental from Hostel	66,63,700	88,91,610
Up-skilling & registrations	6,54,650	8,97,782
Income from other program	50,16,665	12,750
<b>TOTAL</b>	<b>3,64,79,340</b>	<b>4,78,31,919</b>
<b>ANNEXURE-3</b>		
<b><u>Interest and Other Receipts</u></b>		
Interest from - Savings Bank A/c	6,26,882	81,087
Interest on FD	18,93,110	17,29,592
Excess provision withdrawn	-	14,895
Other income	1,21,519	22,159
<b>TOTAL</b>	<b>26,41,511</b>	<b>18,47,732</b>
<b>ANNEXURE-4</b>		
<b><u>Skill Development &amp; Other Programme Expenses</u></b>		
Honorarium & scholarships	-	34,524
University affiliation fees	1,00,000	2,15,000
Event expenses	2,88,821	9,59,688
Hostel & other rent	9,13,782	16,51,610
Student welfare	68,154	1,56,755
Guest expenses	3,67,672	4,77,568
Orientation kits & training aides	10,87,171	14,54,028
External trainer expenses	9,45,965	-
Publicity, outreach & information's	20,79,449	22,24,564
<b>TOTAL</b>	<b>58,51,014</b>	<b>71,73,737</b>
<b>ANNEXURE-5</b>		
<b><u>Trainers &amp; Other Employee Cost and Benefits</u></b>		
Salaries and wages	4,17,75,686	4,23,88,341
Trainers stipend	20,67,429	1,33,99,214
Bonus & incentives	2,51,467	21,42,095
Employee Leave Encashment	2,29,511	-
Employee gratuity	-	12,69,398
ESI- employer contributions	13,48,482	18,09,443
EPF- employer contributions	40,38,099	19,12,213
Staff welfare	6,83,118	3,32,588



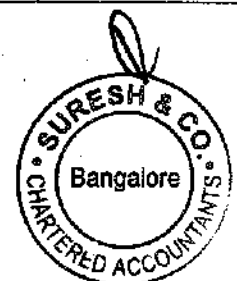



TOTAL	5,03,93,792	6,32,53,292
<b>ANNEXURE-6</b>		
<b><u>Administration and Other Operating expenses</u></b>		
Electricity & Water Charges	51,05,710	56,28,784
Telephone, Internet & Postage	17,05,813	16,43,295
Books, Periodicals & Subscriptions	85,848	11,790
Printing & Office Supplies	5,50,925	11,29,260
Security & House Keeping Charges	1,15,04,248	67,18,407
Travelling & Conveyance	11,94,974	20,85,694
Repair & Maintenance	20,33,424	26,53,293
Rates & Taxes	49,572	36,370
Vehicle Maintenance	3,27,291	4,84,811
Prior period expenses	-	5,000
<b>Professional charges</b>		
Audit Fees -Statutory Audit	1,25,440	73,110
Internal Audit Fees	3,00,000	2,83,170
Legal & Other Professional Charges	9,88,643	11,68,384
<b>TOTAL</b>	<b>2,39,71,887</b>	<b>2,19,21,368</b>
<b>ANNEXURE-7</b>		
<b><u>Finance Cost</u></b>		
Bank Charges	48,933	79,678
Interest on Overdraft	66,34,239	24,52,253
<b>TOTAL</b>	<b>66,83,172</b>	<b>25,31,931</b>
<b>ANNEXURE-8</b>		
<b><u>Additions to Fixed Deposits</u></b>		
<b>TOTAL</b>	<b>16,81,254</b>	<b>38,89,437</b>
<b>ANNEXURE-9</b>		
<b><u>Additions to Fixed Assets</u></b>		
Computers & Software	3,14,160	25,35,452
Furnitures & Fixtures	5,14,000	1,47,509
Office Equipment	5,44,243	2,54,791
<b>TOTAL</b>	<b>13,72,403</b>	<b>29,37,752</b>
<b>ANNEXURE-10</b>		
<b><u>Other Payments/Receipts</u></b>		
TDS on Income	92,261	1,79,965
P Khasim Khan - Rent Deposit	(87,742)	16,00,000
Loan to Foundation for Sandbox Startup Initiative	-	10,00,000
Electricity deposit	-	22,400
Office advance	99,143	(6,908)
Advance to suppliers	-	(141)
Income tax deposit (refer note 1.e)	11,84,355	-
<b>TOTAL</b>	<b>12,88,017</b>	<b>27,95,316</b>

*[Handwritten Signature]*



*[Handwritten Signature]*



# DESHPANDE EDUCATIONAL TRUST

## SCHEDULE - D SCHEDULE OF FIXED ASSETS AS ON 31ST MARCH 2020

PARTICULARS	RATE %	GROSS BLOCK				DEPRECIATION BLOCK			NET BLOCK	
		AS AT 01.04.2019	ADDITIONS DURING THE YEAR		AS AT 31.03.2020	AS AT 01.04.2019	FOR THE YEAR	AS AT 31.03.2020	AS AT 31.03.2020	AS AT 31.03.2019
			I HALF	II HALF						
COMPUTERS, SOFTWARE AND ACCESSORIES	40%	1,84,16,656	93,112	2,21,048	1,87,30,816	26,13,711	1,46,99,649	40,31,167	63,30,718	
FURNITURE & FIXTURES	10%	9,45,806	-	5,14,000	14,59,806	90,888	3,84,830	10,74,976	6,51,864	
VEHICLE	15%	36,68,375	-	-	36,68,375	2,83,406	20,62,407	16,05,968	18,89,374	
OFFICE/ TRAINING EQUIPMENT	15%	12,36,442	1,16,245	4,27,998	17,80,685	1,85,852	5,13,557	12,67,128	9,08,737	
<b>TOTAL</b>		<b>2,42,67,279</b>	<b>2,09,357</b>	<b>11,63,046</b>	<b>2,56,39,682</b>	<b>31,73,857</b>	<b>1,76,60,443</b>	<b>79,79,239</b>	<b>97,80,693</b>	
<b>PREVIOUS YEAR</b>		<b>2,20,68,171</b>	<b>19,58,049</b>	<b>2,41,059</b>	<b>2,42,67,279</b>	<b>47,88,490</b>	<b>1,44,87,586</b>	<b>97,80,693</b>		

D



[Signature]

# DESHPANDE EDUCATIONAL TRUST

Schedule – 1&2: Significant Accounting Policies and Notes forming part of the financial statements for the year ended on March 31, 2020

## 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 excising 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

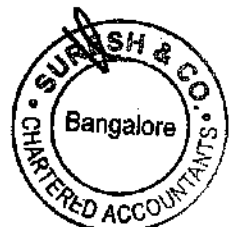
Depreciation on the Assets is generally charged at the rates specified in the Income Tax Act, 1961 and the rules framed there under using the Written Down Value method.

### 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, 2020

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

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.

#### c. 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, 2020

### d. 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 (PY 300 days) over the period of their employment.

### e. 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 year.

## 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	72,09,898/- (NIL)

### 2.3 Related Party disclosure

SL. No.	Name of the Entity	Nature of Transactions	Amount in Rs.
1	Deshpande Foundation	Revenue in nature(Grant receipt) Rent expense Unsecured Loan (Net)	22,50,0000/- (Nil) 12/- (Nil) 48,66,628/- (49,02,132/-)
2	Foundation For Sandboxstartup Initiatives	Loan given	10,00,000/- (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:

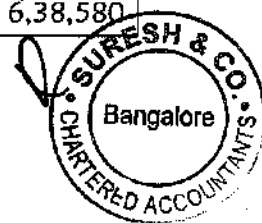
Reconciliation of opening and closing balances of the present value of the defined benefit obligation:



# DESHPANDE EDUCATIONAL TRUST

Schedule – 1&2: Significant Accounting Policies and Notes forming part of the financial statements for the year ended on March 31, 2020

Sl. No.	Particulars	As At 31.03.2020 Rs.	As at 31.03.2019 Rs.
1.	Assumptions		
	Discount Rate	6.79%	7.50%
	Salary Escalation	7.00%	7.00%
2	Table Showing changes in present value of Obligation		
	Present value of obligations as at beginning of year	22,17,377	11,95,542
	Interest cost	1,65,263	89,666
	Current Service Cost	14,79,903	3,51,997
	Benefits Paid	27,734	(21,365)
	Actuarial (gain)/ loss on obligations	14,67,115	6,01,537
	Present value of obligations as at end of year	53,01,924	22,17,377
3.	Table showing changes in the fair value of plan assets		
	Fair value of plan assets at beginning of year	28,55,957	15,19,882
	Expected return on plan assets	2,13,157	1,21,930
	Contributions	NIL	12,35,509
	Benefits Paid	(27,734)	(21,365)
	Actuarial gain/(loss) on Plan assets	(48,125)	NIL
	Fair value of Plan assets at the end of the year	29,93,255	28,55,957
4.	Table showing fair value of plan assets		
	Fair value of plan assets at beginning of year	28,55,957	15,19,882
	Actual return on plan assets	2,13,157	1,21,930
	Contributions	NIL	12,35,509
	Benefits Paid	(27,734)	(21,365)
	Actuarial gain/(loss) on Plan assets	NIL	NIL
	Fair value of plan assets at the end of year	29,93,255	28,55,956
	Fund Status	(23,08,670)	6,38,580
	Excess of Actual over estimated return on plan assets	NIL	NIL
5.	Actuarial Gain/Loss recognized		
	Actuarial (gain)/ loss on obligations	(15,15,240)	(6,01,537)
	Actuarial (gain)/ loss for the year - plan assets	NIL	Nil
	Total (gain)/ loss for the year	(15,15,240)	(6,01,537)
	Actuarial (gain)/ loss recognized in the year	(15,15,240)	(6,01,537)
6.	The amounts to be recognized in the Balance Sheet and Income & Expenditure Account		
	Present value of obligations as at the end of year	53,01,924	22,17,377
	Fair value of plan assets as at the end of the year	29,93,255	28,55,957
	Fund Status	(23,08,670)	6,38,580

# DESHPANDE EDUCATIONAL TRUST

## Schedule – 1&2: Significant Accounting Policies and Notes forming part of the financial statements for the year ended on March 31, 2020

	Net asset/(liability) recognized in balance sheet	(23,08,670)	6,38,580
7.	Expenses Recognised in statement of Profit and loss		
	Current Service cost	14,79,903	3,51,997
	Interest Cost	1,65,263	89,666
	Expected return on plan assets	2,13,157	(1,21,930)
	Net Actuarial (gain)/ loss recognized in the year	14,67,115	6,01,537
	Expenses recognised in statement of Profit and loss	29,47,250	9,21,270

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 31.03.2020 Rs.	As at 31.03.2019 Rs.
1.	Assumptions		
	Discount Rate	6.79%	7.64%
	Salary Escalation	7.00%	7.00%
2	Table Showing changes in present value of Obligation		
	Present value of obligations as at beginning of year	21,60,264	NIL
	Interest cost	1,54,594	NIL
	Current Service Cost	4,92,696	21,60,264
	Benefits Paid	(2,73,571)	NIL
	Actuarial (gain)/ loss on obligations	(10,42,579)	NIL
	Present value of obligations as at end of year	14,91,404	21,60,264
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	(2,73,571)	NIL
	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
	Contributions	NIL	NIL
	Benefits Paid	(2,73,571)	NIL
	Actuarial gain/(loss) on Plan assets	NIL	NIL




# DESHPANDE EDUCATIONAL TRUST

## Schedule – 1&2: Significant Accounting Policies and Notes forming part of the financial statements for the year ended on March 31, 2020

	Fair value of plan assets at the end of year	NIL	NIL
	Fund Status	(14,91,404)	(21,60,264)
	Excess of Actual over estimated return on plan assets	NIL	NIL
5.	Actuarial Gain/Loss recognized		
	Actuarial (gain)/ loss on obligations	(10,42,579)	NIL
	Actuarial (gain)/ loss for the year - plan assets	NIL	NIL
	Total (gain)/ loss for the year	(10,42,579)	NIL
	Actuarial (gain)/ loss recognized in the year	(10,42,579)	NIL
6.	The amounts to be recognized in the Balance Sheet and Income & Expenditure Account		
	Present value of obligations as at the end of year	14,91,404	21,60,264
	Fair value of plan assets as at the end of the year	NIL	NIL
	Fund Status	(14,91,404)	(21,60,264)
	Net asset/(liability) recognized in balance sheet	(14,91,404)	(21,60,264)
7.	Expenses Recognised in statement of Profit and loss		
	Current Service cost	492,696	21,60,264
	Interest Cost	154,594	NIL
	Expected return on plan assets	NIL	NIL
	Net Actuarial (gain)/ loss recognized in the year	(10,42,579)	NIL
	Expenses recognised in statement of Profit and loss	(3,95,289)	21,60,264

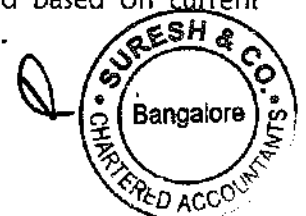
Note: The above figures have been drawn from the information received from Armstrong International Employee benefits solution.

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 trust has performed sensitivity analysis on the assumptions used and based on current estimates expects the carrying amount of these assets will be recovered.







# DESHPANDE EDUCATIONAL TRUST

## Schedule – 1&2: Significant Accounting Policies and Notes forming part of the financial statements for the year ended on March 31, 2020

The impact of COVID 19 may differ from that estimated as at the date of approval of these financial statements.

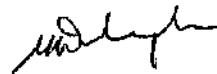
2.5. Figures in brackets represent previous year/period figures

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

