

RAOSAHEB WANGDE MASTER CHARITABLE TRUST'S DNYANSHREE INSTITUTE  
OF ENGINEERING & TECHNOLOGY

Financial Year : 2021-2022

Note 1 — Background

RAOSAHEB WANGDE MASTER CHARITABLE TRUST'S ('the Trust') is registered under the Bombay Trust Act, 1950 with the objective to provide charitable and other welfare related services.

The Trust accepts voluntary donations, grants, contributions etc. from any person or entity. These funds are then majorly utilised in the fields of education, health, relief of the poor, relief of people effected by natural or other calamities or for the advancement of any other objects of general public utility.

Note 2 - Significant accounting policies

2.1 Basis of accounting

The financial statements of the Society have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) including the Accounting Standards issued by the Institute of Chartered Accountants of India.

The financial statements are prepared under the historical cost convention. Income mainly comprises tuition fees, donations received which are accounted for as mentioned in the paragraph 2.3 below. Interest income on demand deposits is accounted for when such interest is credited by bank. All expenses are accounted for on accrual basis. Common expenses and income are segregated in the ratio of number of students admitted to degree and diploma stream. Tuition fees recorded on accrual basis once the admission of student is finalised irrespective of actual receipt from student.

The Trust is a Level III entity- Small and Medium Sized Enterprise (SME) as defined in the Applicability of Accounting Standards to Non-corporate Entities issued by Institute of Chartered Accountants of India. Accordingly, the Trust has complied with the Accounting Standards as applicable to a Level III entity.

2.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amount of assets and liabilities (including contingent liabilities). The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

2.3 Recognition of grants and donations a. Earmarked funds

Amounts received against specific projects with a stipulation that expenses are to be incurred only against specified projects are considered as 'Earmarked funds'.



Amount received as donations towards general objects of the trust are considered as donations other than towards 'Earmarked Funds'. These are recognised as income on receipt basis and are credited to the Income and Expenditure account.

#### 2.4 Depreciation

Depreciation on property, plant and equipment has been provided on the straight line method rates & norms prescribed by Shikshan Shulka Samiti (Higher & Technical Education).

#### 2.5 Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation/amortization and impairment losses, if any. The cost of property, plant and equipment comprises its purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use and other incidental expenses. Subsequent expenditure relating to property, plant and equipment after its purchase/completion is capitalised only if such expenditure results in an increase in future benefits from such asset beyond its previously assessed standard of performance.

#### 2.6 Income tax

The Trust is registered under Section 12A of the Income tax Act, 1961 ('the Act'). Under the provisions of the Act, the income of the society is exempt from tax, subject to the compliance of terms and conditions specified in the Act.

#### 2.7 Provision, Contingent liabilities and Contingent assets

A provision is recognized when the trust has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions are not discounted to its present value and are determined based on 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 best estimates.

Contingent liabilities is a possible obligation that arise from past events and the existence of which will be confirmed by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of society, or is a present obligation that arises from past events but is not recognised because either it is not probable that an outflow are resource embodying benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made. Contingent Asset is neither disclosed nor recognized in the financial statements.

#### 2.8 Construction Contracts :-

No construction activities are carried out by the Trust hence not applicable



2.9 Valuation of Inventories :-

Items of printing and stationery used for internal consumption purposes are not shown as Inventory, but are directly expenses out through revenue account.

2.10 Borrowing Costs :-

Borrowing costs are directly expensed out through revenue account.

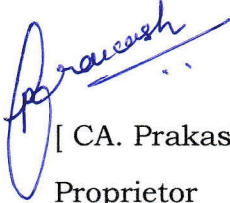
Note: Sundry Debit and Credit balance are subject to confirmation.

As per our report of even date attached.

For. Prakash Patil & Associates

Chartered Accountants

F.R.N. : 131784W



[ CA. Prakash Raghunath Patil ]

Proprietor

Membership No : 112866

Date : September 30, 2022

Place : Mumbai

UDIN : 22112866BEFHUE4611



For. Dnyanshree Institute of Engineering  
& Technology, Satara

[ Mr. Dnyaneshwar Wangde – Chairman ]

[ Dr. Ajay Jadhav – Principal ]