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## INDEPENDENT AUDITOR'S REPORT

### Report on the Financial Statements

We have audited the Financial Statements of M/s. **Indore Institute of Science and Technology** ("the Institute"), which comprise the Balance Sheet as on 31st March, 2021, the Statement of Income and Expenditure for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements:

- The Institute's Management is responsible with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position and financial performance in accordance with accounting principles generally accepted in India, including the Accounting Standards issue Institute of Chartered Accountants of India. This responsibility also includes maintenance of adequate accounting records for safeguarding the assets of the Institute 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

- Our responsibility is to express an opinion on financial statements based on our audit. We have taken in to account the accounting and auditing standards and matters which are required to be included in the audit report under provisions of various Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified by The Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



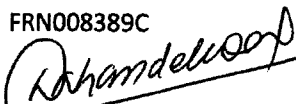
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments; the auditor considers internal control relevant to the Institute's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Institute has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

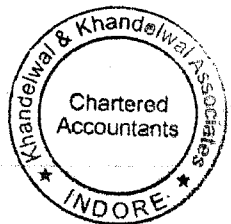
#### Opinion

6. In our opinion and to the best of our information and according to the Explanation given to us, the aforesaid stand alone financial statements give the information 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 the Institute as on 31st March, 2021, and its surplus/(deficit) for the year ended on that date.
7. We further report that:
- (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion proper books of account as required by law have been kept by the Institute so far as appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Income and Expenditure dealt with by this Report are in agreement with the books of account;

For Khandelwal & Khandelwal Associates  
Chartered Accountants  
FRN008389C



(CA. Durgesh Khandelwal)  
Partner  
M.No. 077390



Date : 14.02.2022

Place : Indore

UDIN : 22077390ACDYDA1098

**Balance Sheet as at 31st March 2021**

Particulars	Sch	Amount (Rs.)
<b>SOURCES OF FUND</b>		
I <b>Society Fund</b>		
General Fund	A	(88,207,898)
II <b>Current Liabilities</b>		
Deposit from Students	B	5,154,890
Fee Received in Advance from Students	C	4,578,886
Sundry Creditors for Expenses	D	183,580
Provisions & Payables	E	5,992,127
III <b>Branch Accounts</b>	F	257,830,534
<b>TOTAL RS.</b>		<b>185,532,119</b>
<b>APPLICATION OF FUND</b>		
I <b>Fixed Assets</b>	G	120,983,325
II <b>Current Assets</b>		
Advanced to Staff & Others	H	445,298
Receivables	I	1,091,975
Fees Receivable from Students	J	58,586,266
Deposits with Bank	K	561,963
Deposits (Others)	L	28,805
Cash & Bank Balances	M	3,834,487
<b>Notes to the Accounts</b>		
<b>TOTAL RS.</b>		<b>185,532,119</b>

As per our report of even date annexed

For: Khandelwal and Khandelwal Associates For, Indore Institute of Science & Technology

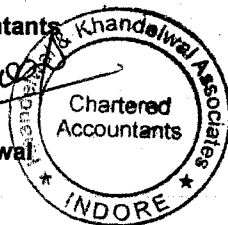
Chartered Accountants  
FRN 008389C

Durgesh Khandelwal  
(Partner)

M.No. 077390

Date: 14-02-2022

Place: INDORE



*Jarvesh Agarwal*  
Chairman

*Chand*  
Secretary

**INCOME & EXPENDITURE ACCOUNT**  
**FOR THE PERIOD FROM 1.4.2020 TO 31.03.2021**

Particulars	Sch	Amount (Rs.)
<b>INCOME</b>		
Gross Fees from Students	N	105,835,800
Less:- Concession in Fee	R	24,640,642
Net Fees from Students		<u>81,195,158</u>
Interest & Other Income	O	397,840
<b>TOTAL RS.</b>		<u><u>81,592,998</u></u>
<b>EXPENDITURES</b>		
Administrative Expenses	P	12,737,575
Colleges Expenses	Q	387,483
Hostel Running & Maint Exps	S	58,539
Salaries And Allied Expenses	T	45,699,515
Students Activities Expenses	U	144,220
Training & Placement Exps	V	17,520
Transportation Expenses	W	3,713,021
Depreciation	G	4,153,159
<b>TOTAL RS.</b>		<u><u>66,911,032</u></u>
<b>Notes to the Accounts</b>		
<b>TOTAL RS.</b>		<u><u>14,681,966</u></u>
<b>Excess of expenditure over income for the Year</b>		<b>14,681,966</b>

As per our report of even date annexed

For: Khandelwal and Khandelwal Associates For, Indore Institute of Science & Technology

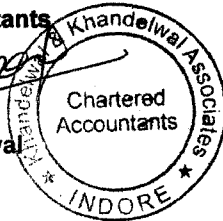
Chartered Accountants  
FRN 008389C

Durgesh Khandelwal  
(Partner)

M.No. 077390

Date: 14-02-2022

Place: INDORE



Jarvesh Agoniwal  
Chairman

Chaid  
Secretary

## Indore Institute of Science and Technology

### SIGNIFICANT ACCOUNTING POLICY AND NOTES TO THE ACCOUNTS

#### 1. Accounting Assumptions

The Accounts of the institute are prepared under the historical cost convention with applicable accounting standards and relevant presentation requirements as per income tax act, 1961 using the mercantile method of accounting unless stated otherwise here in after.

#### 2. Revenue Recognition

Fees from students are accounted on accrual basis after taking into consideration of all scholarships given in accordance with AS-9. Revenue is recognised only when it is reliably measurable and reasonably certain that the ultimate collection will be made.

##### Tuition Fees

Tuition fees are recognized over period of time towards the academic session of a particular semester. Any fees received in advance for next accounting year is not recognized as income for the year in which it is received, but shown as a liability in the balance sheet of the college. Such fees are recognized as income in the income and expenditure account of the next accounting year to which it relates. Similarly, fees relating to the current year, if any, due from the students at the end of the accounting year is income of that year.

##### One time charges

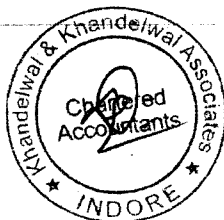
Colleges normally receive one time charge, i.e., the charges which are paid only once during the tenure of the studentship in the college. These charges are usually in the form of fees for admission to college, registration fees, etc. and are generally non refundable. Such charges are recognised as income when received.

##### Periodic charges

In addition to tuition fees and fees for pursuit of other curriculum activities and one-time charges, colleges also receive some other non-refundable charges from the students on periodic basis, for example, magazine/newspaper charges and other annual charges received from the students at the beginning of each academic year. Such charges are recognized as income on a time proportion basis over the relevant period.

##### Caution Money

At the time of admission of a student to a college, caution money is also received which is refundable to the student at the time the student leaves the college. Caution money is of the nature of deposit and, therefore is not considered as income. It is shown as a liability in the balance sheet of the college. The caution money is recognized as income only when a student waives his right to receive the caution money or it is forfeited by the college as per the rules or a



## Indore Institute of Science and Technology

student does not claim the caution money after becoming entitled to receive the same within the period during which refund can be claimed as per the policy of the college.

### Hostel fees

Hostel fees is the fees charged for boarding and lodging from the student who avail the hostel facility. Revenue from such fees is recognized on time proportion basis over the period for which the fee is received. Revenue from mess charges received from the student living in the hostel is recognized on a time proportion basis over the period for which charges have been received.

### Amount received from Board for payment to Exam Invigilators

College receives amounts from the Education boards for payment to the invigilators for conducting board examinations. The amount received from the board is recognized as income and the amount paid/payable to the invigilators is shown as an expense in the income and expenditure account.

### 3. Donations

Donation received towards Corpus fund of the institute is directly taken to balance Sheet under the head Corpus fund and general donations are credited to income and Expenditure Account.

### 4. Fixed assets

Fixed assets are stated as per written down value method including attributable interest and financial cost till such assets are ready for its intended use, less specific grants received.

### 5. Capital work in progress

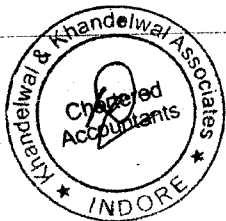
Capital expenditure for building & site developments has been accounted under the head "building under construction" and transfer to respective assets on completion. The interest on the term loan has capitalized till the construction has been completed and put to use.

### 6. Depreciation

Depreciation on fixed assets is provided on written down value (WDV) method at the rates provided in Annexure I of Fixed Assets Schedule issued by Admission and Fee Regulatory Committee framed under Madhya Pradesh Niji Vyavasayik Shikshan Sansthan Adhiniyam 2007.

### 7. Borrowing Costs

Borrowing costs that are directly attributable to the acquisition, construction or production of assets are capitalized as a part of the cost of assets. Other borrowing costs are recognized as an expense in the period in which they are incurred.



Indore Institute of Science and Technology

**8. Apportionment of common expenses:**

Common expenses incurred by the society for the various educational institutions are distributed the institution on basis of gross fee income of the respective institutions.

**9. Provision and contingences**

Provisions are determined based on best estimates of the amount required to settle the obligation at the balance sheet date. Contingent assets are recognized nor disclosed in the financial statements. The institute does not recognize a contingent liability but disclose its existence in the financial statement.

**10. Employee Benefits**

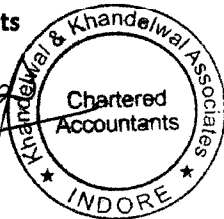
The Institute has not provided for the gratuity liability in accordance with AS 15- Employee Benefits as issued by the Institute of Chartered Accountants of India. However, a provision @4.81% of Basic salary plus Dearness Allowance and Grade pay is provided towards gratuity in the books of accounts. No actuarial valuation is obtained to ascertain provision for gratuity for the year.

**11. There is no contingent liability as on balance sheet date.**

For Khandelwal & Khandelwal Associates  
Chartered Accountants  
(FRN008389C)

*Durgesh Khandelwal*

Durgesh Khandelwal  
(Partner)  
M.No.077390



For Indore Institute of Science and Technology

*Janesh Agaswal*  
Chairman

*Chand*  
Secretary

Place: Indore

Date: 14-02-2022