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**INDEPENDENT AUDITOR'S REPORT
ON THE ACCOUNTS OF H. K. COMMERCE COLLEGE, AHMEDABAD
(RUN BY BRAHMACHARI WADI TRUST)
FOR THE YEAR ENDED 31ST MARCH, 2020**

To,
The Trustees / Hon. Secretary,
Brahmachari Wadi Trust,
Ahmedabad.

Report on Financial Statements

We have audited the Annexed Balance Sheet of **SHRI HARIVALLABHDAS KALIDAS COMMERCE COLLEGE**, Opp. Handloom House, Ashram Road, Navrangpura, Ahmedabad - 380 009, run by Brahmachari Wadi Trust, a registered charitable Trust, as on **31st March, 2020** and the Income & Expenditure Account for the year ended on that date annexed thereto. These financial statements have been prepared in accordance with the norms set out in the Rules relating to the Maintenance Grant receivable from the State Government.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Trust in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes



assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentations.

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

Report and Opinion :

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 Institution, so far as it appears from our examination of the books.
- c) The Balance Sheet & Income & Expenditure Account dealt with by the report are in agreement with the books of accounts.
- d) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - (i) In the case of Balance sheet, of the state of affairs of the Trust as at March 31, 2020 and
 - (ii) In the case of Income & Expenditure Account, of the Deficit for the year ended on that date;

**FOR NAUSHIR M. MARFATIA & CO.
CHARTERED ACCOUNTANTS
FIRM REGN. NO.106977W**



**PARTNER
MEMBERSHIP NO.30278
UDIN: 20030278AAAAGO3831**

**PLACE: AHMEDABAD
DATE : 29th December-2020**



SHRI HARIVALLABHDAS KALIDAS COMMERCE COLLEGE
Opp. Handloom House, Ashram Road, Navrangpura, Ahmedabad - 380 009

ANNEXURE - A

**SIGNIFICANT ACCOUNTING POLICIES & NOTES ON ACCOUNTS
FOR THE YEAR 2019-20 :**

A. SIGNIFICANT ACCOUNTING POLICIES :

(i) BASIS OF PREPARATION OF FINANCIAL STATEMENTS :

The financial statements of the Institution have been prepared in accordance with the Generally Accepted Accounting Principles in India to comply with the applicable accounting standards. The Institution has been following Mercantile System of Accounting and , accordingly, the income and expenses are accounted for on accrual basis. The accounting policies adopted in preparation of the financial statements are consistent with those followed in the earlier years.

(ii) REVENUE RECOGNITION :

The Fees receivable by the Institution in accordance with the guidelines of the University have been accounted for as and when received since the admissions are confirmed on payment of fees only. The fees so received are now credited to the respective income accounts although the expenses are required to be incurred against the same in future, which were hitherto credited to respective Income accounts or Fees Funds accounts, as the case may be.

(iii) FIXED ASSETS & DEPRECIATION :

The fixed Assets are stated at historical cost and the Depreciation has been provided on written down value method by applying the rates prescribed under the Income Tax Act. Depreciation on Library Books is not being provided as the Reference Books are purchased out of the U.G.C. Grant and the Text Books are being written off as and when the syllabus is changed.

(iv) INVESTMENTS :

There are no investments other than Fixed Deposits with Bank which are stated at the amount invested.

(v) GRANTS :

Grants received from the Government of Gujarat are accounted for on mercantile basis of accounting subject to an adjustment in respect of the short grant received in the year of receipt thereof .



vi) EMPLOYEE BENEFITS :

Employee Benefits include Provident Fund , Gratuity and Compensated absences which are borne and paid by the Government of Gujarat as the College is a Grantable Institution. In view of this, no contribution is required to be made by the Institution.

(vii) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS :

Provisions are recognized only when there is a present obligation as a result of past events and when a reliable estimate of the amount of the obligation can be made. Contingent Liability is disclosed for (i) Possible obligations which will be confirmed only by uncertain future events not wholly within the control of the Institution and (ii) Present obligations arising from the past events where - it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent Assets are neither recognized nor disclosed in the financial statements.

B. NOTES FORMING PART OF ACCOUNTS :

1.No separate provision has been made for the Gratuity liability in the books of account of the current year as the State Government has accepted full liability thereof . Moreover, as the Employees' Provident Fund is managed by the State Government, P.F. deduction and P.F. contribution are not included in the accounts of the College.

2.(a) The Maintenance Grant of Rs.1,44,545/- receivable for the year 2019-20 is being credited to 'Proposed Grant 2019-20 account' and shown in Annexure-2 of Income & Expenditure Account and the Maintenance Grant so Receivable is shown , to the extent outstanding as on 31-3-2020, in Annexure-5 of the Balance Sheet as 'Un-received Proposed Grant 2019-20'. The same is subject to a change in the light of the final computation made by the Government.

(b) Un-received Nibhav Grant of Rs.5,69,383/- shown in Annexure-5 of the Balance sheet represents Maintenance Grant receivable for the years 2015-16 to 2018-19. We have been informed that the Institution has complied with the requirements for claiming the grant and audited accounts and other necessary papers have also been sent to the Department of Higher Education, Government of Gujarat.

3. No provision is being made for depreciation on Library Books as the Reference Books are purchased out of the U.G.C. Grant and the Text Books are being written off as and when the syllabus is changed.

4. During the year, the Institution has incurred Educational Honorarium expenses of Rs.2,50,650/- which are not grantable. On further inquiry, we have been informed that in spite of the written representations by the Institution to the Department of Higher Education for the appointment of additional lecturers along with necessary facts and figures and periodical follow up letters, the authorities have not responded. It is advised that the matter should be taken up with the higher



authorities for the appointment of additional lecturers so that the future expenses thereon become grantable and the Institution does not have to bear the cost of the same.

5. Unspent Fees Funds of Rs.2417232.98 as on 31-3-2020 could not be invested fully for want of liquidity.

6. Interest of Rs.165325/- on F.D.R. relating to Paritoshik Fund has been credited/transferred to Paritoshik Fund Account.

7. Convocation Fees of Rs. 144820/- collected from the students was directed to be refunded in the month of January, 2018. However, out of this, Rs.78000/- could not be refunded as the students have not come forth for collecting the cheques. Cheques written for such refunds have become stale and are therefore, cancelled. The same will be refunded as and when they come forth and, accordingly, the same has been shown as a liability.

8. Funds accumulated under various Fee Funds over a period of years are treated as 'Reserves' to the extent of outstanding balance as on 01/04/2013 and accordingly transferred as 'Reserves' to the Parent, Trust i.e. 'Brahmachari Wadi Trust'.

9. Some of the Other Funds shown in Annexure-2 are lying since many years. Suitable action should be taken for utilizing the same.

10. No concrete action could be taken so far on the following remark made in the earlier years' Notes on Accounts :

"The Institution is eligible to get the Building Maintenance Grant based on the Valuation of the Land & Building. At present, the Maintenance Grant is being claimed on the total Value of the Land & Building of Rs. 792198 only which is far less than the present market value. Therefore, it is suggested that the fresh valuation be obtained from an approved Registered Valuer and the grant should be claimed on the basis of such valuation."

AHMEDABAD.

DATE : 29th December-2020

FOR NAUSHIR M. MARFATIA & CO.

Chartered Accountants

Firm Regn. No.: 106977W

Partner

MEMBERSHIP NO. 30278

UDIN: 20030278AAAAGO3831

