

AUDIT REPORT OF

**PEOPLES' EMPOWERMENT
GROUP FOUNDATION**

FOR THE YEAR ENDED 31.03.2023

CSM & Associates
CHARTERED ACCOUNTANTS



CSM & Associates
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

**To the Members of
Peoples Empowerment Group Foundation**

Report on the Financial Statements

We have audited the accompanying financial statements of Peoples Empowerment Group Foundation, which comprise the Balance Sheet as at 31st March, 2023, and Statement of Income & Expenditure for the year ended 31st March 2023, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Peoples Empowerment Group Foundation as at March 31, 2023, and its profit for the year ended on that date in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India ('ICAI').

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Management's Responsibility for the Financial Statements

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance in accordance with the accounting principles generally accepted in India, including the Accounting Standards issued by the Institute of Chartered Accountants of India. This responsibility also includes maintenance of adequate accounting records for safeguarding of the assets and for preventing and detecting frauds and other irregularities; selection and application of

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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 Responsibilities 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.
- 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 Peoples Empowerment Group Foundation'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 Peoples Empowerment Group Foundation to cease to continue as a going concern.





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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in: -

- i. Planning the scope of the audit work and in evaluating the results of our work; and
- ii. To evaluate the effect of any identified misstatements in the financial statements

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs as at March 31, 2023, and its surplus for the year ended on that date, except to the extent that Peoples Empowerment Group Foundation has not provided for depreciation on fixed assets held under the head, Buildings.

For CSM & Associates
Chartered Accountants
Firm Registration Number: 123622W


Irani Sarosh Hormaz
(Partner)

Place: Pune

Date: 1st September, 2023

Membership No.: 108399

Unique Document Identification Number for this document is 23108399BGWYDT7220

PEOPLES EMPOWERMENT GROUP FOUNDATION

BALANCE SHEET AS AT MARCH 31, 2023

	Particulars	Note	As at 31st March 2023	As at 31st March 2022
I.	SOURCES OF FUNDS			
(1)	Surplus and Earmarked Funds			
	(a) Reserves and surplus	3	3,98,56,877	4,15,12,142
	(b) Earmarked funds	4	5,50,00,000	5,50,00,000
(2)	Non-current liabilities			
	(a) Long Term Borrowings	5	3,35,85,102	3,70,45,462
	(b) Other long-term liabilities		14,45,58,000	14,45,58,000
(3)	Current liabilities			
	(a) Other current liabilities	6	1,95,68,469	1,78,15,355
	(b) Short-term provisions		-	-
	TOTAL		29,25,68,448	29,59,30,959
II.	APPLICATION OF FUNDS			
(1)	Non-current assets			
	(a) Property, Plant & Equipment			
	i) Tangible assets	7	28,09,44,814	21,12,74,349
	ii) Intangible assets			
	iii) Capital work-in-progress	8	-	7,73,53,272
	(b) Long-term loans and advances		-	-
	(c) Other non-current assets		-	-
(2)	Current assets			
	(a) Cash and cash equivalents	10	37,27,775	21,82,013
	(b) Loans & Advances (Deposits)	11	26,09,001	16,02,216
	(c) Sundry Debtors	12	49,16,543	32,52,425
	(d) Other Current Assets	13	3,70,315	2,66,684
	TOTAL		29,25,68,448	29,59,30,959

See accompanying notes to the financial statements

For Peoples Empowerment Group Foundation

As per our report of even date attached

For CSM & Associates

Chartered Accountants

Firm Registration No: 123622W



Dr. Pramod Kumar
Trustee

Date: 01.09.2023

Place: Pune



Dr. Subramaniam Jayaraman
Trustee



Irani Sarosh Hormaz (Partner)

Membership No. : 108399

Date: 01.09.2023

Place: Pune

PEOPLES EMPOWERMENT GROUP FOUNDATION STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2023				
	Particulars	Note	For the Year ended 31.03.2023	For the Year ended 31.03.2022
I.	Income			
	a) Income from Student Fees	14	2,13,11,933	87,12,070
	b) Donations Received		1,61,20,000	2,86,70,000
	c) Bank Interest		41,479	57,625
	d) Other Income	15	2,64,720	74,429
	Total Income		3,77,38,132	3,75,14,124
II	Expenses			
	a) Employee Benefit Expenses		1,89,03,247	1,13,87,279
	b) Depreciation on Building		55,77,117	37,36,702
	c) Depreciation other than Building		24,52,610	28,11,573
	d) Other expenses on objects of the Society	16	1,24,60,423	1,40,47,352
	Total Expenses		3,93,93,397	3,19,82,906
III	Net surplus for the year transferred to Balance Sheet		(16,55,265)	55,31,217
<i>See accompanying notes to the financial statements</i>				

For Peoples Empowerment Group Foundation

As per our report of even date attached

For CSM & Associates

Chartered Accountants

Firm Registration No: 123622W

Dr. Pramod Kumar

Trustee

Date: 01.09.2023

Place: Pune

Dr. Subramaniam Jayaraman

Trustee

Irani Sarosh Hormaz (Partner)

Membership No: 108399

Date: 01.09.2023

Place: Pune

PEOPLES EMPOWERMENT GROUP FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.03.2023

1. General Information

The Peoples Empowerment Group Foundation, having its Head Office at New Delhi, was established on 13th May 2015 under Haryana Registration and Regulation of Societies Act, 2012 (Haryana Act No. 1 of 2012) for the purpose of imparting education by establishing and operating schools and colleges and conducting incidental activities thereon.

2. Summary of Significant Accounting Policies

2.1. Basis of Accounting

The financial statements that comprise Balance Sheet and Income & Expenditure Account together with notes are prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with applicable Accounting Standards issued by the Institute of Chartered Accountants of India. The financial statements are prepared under the historical cost convention on going concern and on accrual basis unless otherwise stated.

2.2. Use of Estimates

The presentation of financial Statements in accordance with Generally Accepted Accounting Principles in India requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosures of contingent liabilities as at the date of the financial statements and the reported amounts of income and expenses during the year. Examples of such estimates include useful life of fixed assets, employee benefits, contingent liabilities etc. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

2.3. Appropriation to Reserves and Allocation to Earmarked Funds

- Donations received for buildings and / or for research are credited directly to the respective reserve account.
- Income from investments of Earmarked Funds is added to Earmarked Funds.
- Any transfer to specific Funds from the surplus from the year is specifically mentioned in the Statement of Income & Expenditure.
- Advance received from Peoples Empowerment Group, Pune for collaboration for Joint Program to be conducted by the Society has been earmarked to a separate fund set up specifically for this purpose.

2.4. Property, Plant & Equipment (PPE) and Capital Work-in-Progress

Tangible Assets

Property, Plant and Equipment (PPE) are stated at historical cost less accumulated depreciation. The cost represents purchase price (net of recoverable taxes) and all other direct expenses in respect of acquisition or construction of fixed assets for the period up to the date the asset is ready for its intended use. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalized and depreciated over the useful life of the principal item of the relevant assets. Subsequent expenditure relating to fixed asset is capitalized only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance. Sale of assets are deducted from the value of the block of fixed asset similar to the accounting of Fixed Assets as in the Income Tax Rules, 1962 read with Section 32 of the Income Tax Act, 1961.

Depreciation on all tangible fixed assets (except Land & Building) are provided on a written down value method based on the estimated useful life on the same rates as prescribed in the Income Tax Rules, 1962 read with Section 32 of the Income-tax Act, 1961 from the date the asset is actually put to use.

Depreciation on Building put to use has been provided @2.50% per annum. Since the Society has claimed application on the construction of the Building, the depreciation on Building though provided in the books of accounts of the Society is not claimed as application for tax purposes in the return of income filed.

Capital Work in Progress

Expenditure incurred on construction of assets which are not ready for their intended use are carried at cost less impairment, under Capital work-in-progress. The cost includes the purchase cost including import duties and non-refundable taxes, any directly attributable costs. Capital Work in Progress is transferred to respective Capital assets on the date of put to use of those assets.

Intangible Assets

Intangible assets are carried at cost less accumulated amortization. The cost of an intangible asset comprises its purchase price (net of recoverable taxes) and any directly attributable expenditure on making the assets ready for its intended use.

2.5. Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand and balances in savings and current accounts with banks.

2.6. Revenue Recognition

- Membership fees from members are recognized as income in the year of receipt.

- Income from students:

Fees collected from students are accounted in the year in which the batch commences in the academic year. Income from cancellation of student admission is accounted for at the time of withdrawal of admission.

- Sale of Prospectus:

Sale of prospectus is considered in the year in which the prospectus is sold.

2.7. Prior Period Items & Extraordinary Items

Prior Period Adjustments & Extra-ordinary Items if any, having material impact on the financial affairs of the Society are disclosed separately.

2.8. Provisions, Contingent liabilities and Contingent assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized. Contingent assets are neither recognized nor disclosed in the financial statements. Losses arising from claims, litigations, assessments, fines, penalties, right to compensate etc. are provided for when it is probable that liability may be incurred & the amount can be reasonably estimated.

NOTE 3: RESERVES AND SURPLUS

	Amount (Rs.)	
Particulars	31.03.2023	31.03.2022
Balance at the beginning of the year	4,15,12,142	3,59,80,925
Add : Appropriation from Statement of Income & Expenditure	(16,55,265)	55,31,217
Sub-Total	3,98,56,877	4,15,12,142
Transfer from / (to) Earmarked Funds (Utilization)/Addition	-	-
Balance at the end of the year	3,98,56,877	4,15,12,142

NOTE 4: EARMARKED FUNDS**CORPUS FUND**

	Amount (Rs.)	
Particulars	31.03.2023	31.03.2022
Balance at the beginning of the year	3,00,00,000	3,00,00,000
Appropriation from Statement of Income and Expenditure	-	-
Transfer from/(to) Reserves and Surplus	-	-
Contribution received / Addition during the year Income & Expenditure Statement		
Balance at the end of the Year	3,00,00,000	3,00,00,000

LAND & BUILDING FUND

	Amount (Rs.)	
Particulars	31.03.2023	31.03.2022
Balance at the beginning of the year	2,50,00,000	2,50,00,000
Appropriation from Statement of Income and Expenditure	-	-
Transfer from/(to) Reserves and Surplus	-	-
Contribution received / Addition during the year	-	-
Interest Income during the year appropriated through the Income & Expenditure Statement	-	-
Balance at the end of the Year	2,50,00,000	2,50,00,000

NOTE 5 : LONG TERM BORROWINGS

	Amount (Rs.)	
Particulars	31.03.2023	31.03.2022
Loan from Trustee		
- Dr. Pramod Kumar	3,35,85,102	4,11,97,894
TOTAL	3,35,85,102	4,11,97,894

NOTE 6 : OTHER CURRENT LIABILITIES

	Amount (Rs.)	
Particulars	31.03.2023	31.03.2022
a) Expenses and other payables		
i) Audit Fees Payable	10,64,500	9,14,500
ii) Other Payables	3,01,235	3,13,995
b) Other Current Liabilities		
i) Sundry Creditors	1,11,52,251	1,24,92,770
ii) Statutory dues		
- Tax Deducted at Source	1,44,060	1,14,180
- GST payable	3,080	2,60,548
- Profession Tax	4,310	200
iii) Deposits received	44,86,116	37,19,162
iv) Fees received in advance	24,12,917	-
TOTAL	1,95,68,469	1,78,15,355

NOTE 7 - TANGIBLE ASSETS

Land & Building (See Note below)										
Particulars	Cost				As at 31.03.2023	Depreciation			Net Block	
	As at 01.04.2022	Additions / purchase more than 6 months	Additions / purchase less than 6 months	Deductions / transfer/ Reimbursement		Rate	As at 01.04.2022	For the Year	Up to 31.03.2023	As at 31.03.2023
Land	4,54,81,139	-		-	4,54,81,139	-	-	-	4,54,81,139	4,54,81,139
Building - Academic Block	14,94,68,097	-		-	14,94,68,097	2.50	37,36,702	73,79,987	14,20,88,110	14,57,31,395
Hostel	-	7,73,53,272			7,73,53,272	2.50		19,33,832	7,54,19,440	
Total - Land & Building (A)	19,49,49,236	7,73,53,272	-	-	27,23,02,508		37,36,702	93,13,819	26,29,88,689	19,12,12,534
Other Tangible Assets										
Particulars	Cost				As at 31.03.2023	Depreciation			Net Block	
	As at 01.04.2022	Additions / purchase more than 6 months	Additions / purchase less than 6 months	Deductions / transfer/ Reimbursement		Rate	As at 01.04.2022	For the Year	Up to 31.03.2023	As at 31.03.2023
Furniture & Fixtures	1,48,07,406			-	1,48,07,406	10	43,24,294	53,72,605	94,34,801	1,04,83,112
Computers	28,63,914			-	28,63,914	40	23,83,929	25,75,923	2,87,991	4,79,985
Library Books	12,55,854	1,280	2,234	-	12,59,368	40	10,34,450	11,23,971	1,35,397	2,21,404
Plant & Machinery	71,82,485	65,718	2,53,688	-	75,01,891	15	31,07,125	37,47,314	37,54,577	40,75,360
Electric Fittings	67,17,906	24,000		-	67,41,906	10	19,15,952	23,98,547	43,43,359	48,01,954
Total - Other Assets (B)	3,28,27,565	90,998	2,55,922	-	3,31,74,485		1,27,65,750	1,52,18,360	1,79,56,125	2,00,61,815
Total - Tangible Assets (A+B)	22,77,76,801	7,74,44,270	2,55,922	-	30,54,76,993		1,65,02,452	2,45,32,179	28,09,44,814	21,12,74,349

Note : Depreciation has been changed on Building and Hostel @ 2.5% but not claimed as application under the Income-tax Act, 1961. For all other assets, Depreciation has been considered as per rates prescribed under Income-tax Rules, 1962.

NOTE 8 - WORK IN PROGRESS (include assets purchased but not put to use)				
Particulars	Cost			
	As at 01.04.2022	Additions / purchase during the year	Transferred to Fixed Asset	As at 31.03.2023
Hostel - Work in Progress	7,73,53,272	-	7,73,53,272	-
Total	7,73,53,272	-	7,73,53,272	-

NOTE 10: CASH AND CASH EQUIVALENTS

Particulars	Amount (Rs.)	
	31.03.2023	31.03.2022
a) Cash in hand	22,252	5,839
b) Balances with banks		
- Axis Bank - Account No. 915010046571410	5,03,800	3,94,762
- Axis Bank - Account No. 916010047468457	1,04,009	1,00,946
- Axis Bank - Account No. 920010000412674	1,60,234	1,55,515
- Axis Bank - Account No. 918010060098965	29,37,480	4,81,892
c) Fixed Deposit with Bank		
Fixed Deposit with Axis Bank	-	10,43,059
TOTAL	37,27,775	21,82,013

NOTE 11: DEPOSITS

Particulars	Amount (Rs.)	
	31.03.2023	31.03.2022
Deposit with AICTE	15,00,000	15,00,000
Electricity Security Deposit	10,89,001	1,02,216
Other Deposits	20,000	
TOTAL	26,09,001	16,02,216

NOTE 12: SUNDRY DEBTORS

Particulars	Amount (Rs.)	
	31.03.2023	31.03.2022
On account of Student Fees	49,16,543	32,52,425
TOTAL	49,16,543	32,52,425

NOTE 13: OTHER CURRENT ASSETS

Particulars	Amount (Rs.)	
	31.03.2023	31.03.2022
Receivable from AICTE	1,00,000	1,00,000
Receivable from Bajaj Alliance	8,468	8,468
Prepaid Expenses	2,70,710	2,01,919
TDS Receivable	4,376	-
GST paid in advance	25,200	-
Staff Advance	(38,439)	(43,703)
TOTAL	3,70,315	2,66,684

NOTE 14: INCOME FROM STUDENT FEES

Particulars	Amount (Rs.)	
	31.03.2023	31.03.2022
Student Fees Received	1,81,55,150	78,59,670
Income from Placement Fees	8,40,000	3,80,000
Income from Hostel	20,16,783	3,52,400
Income from Alumini Fees	3,00,000	1,20,000
TOTAL	2,13,11,933	87,12,070

NOTE 15: OTHER INCOME

Particulars	Amount (Rs.)	
	31.03.2023	31.03.2022
Interest on Income tax Refund	-	-
Sale of Prospectus	45,248	38,444
Interest on CESC Deposit	43,762	28,985
Admission Cancellation	3,000	7,000
Educational / Industrial Tour Income	1,72,710	-
TOTAL	2,64,720	74,429

NOTE 16: OTHER EXPENSES ON OBJECTS OF THE SOCIETY

Particulars	Amount (Rs.)	
	31.03.2023	31.03.2022
Audit Fees	1,80,000	1,50,000
Admission Expenses	1,97,903	5,19,513
AICTE Application Fees	90,000	90,000
Profession Tax	2,500	5,000
AMC of IT Items	2,17,702	45,067
Bank Charges	1,009	1,114
Advertisement, Branding & Promotion Expenses	37,60,039	25,99,018
Canteen Expenses	1,22,200	2,47,270
Convocation Expenses	-	80,575
Hostel Expenses	3,10,734	-
Electricity Expenses (including genset expenses)	12,99,010	5,18,634
Gardening Expenses	3,23,186	2,35,154
Hotel, Lodging and Boarding	-	25,992
House keeping expenses	16,43,388	13,22,431
Insurance	83,975	1,12,364
Interest on TDS payments	-	1,336
Interest on GST	1,36,916	-
Interest (Others)	45,808	-
Internet Charges	4,24,800	4,24,800
Miscellaneous Expenses	26,808	72,873
Municipality Taxes	1,60,210	3,96,534
Office Expenses	57,722	71,412
Orientation Programme Expenses	3,77,855	-
Postage & Courier	15,160	66,894
Printing & Stationary	3,34,545	1,43,059
Professional Fees	4,93,000	10,34,060
Repairs & Maintainance - Others	10,27,406	4,93,175
Repairs & Maintainance - Building	1,94,128	24,62,320
Security Staff	-	18,52,563
Staff Welfare	2,47,484	2,70,733
Student Welfare	80,035	6,504
Subscriptions	1,49,477	1,23,799
Student related Expenses	36,883	9,710
Telephone Expenses	1,03,107	76,968
Travelling & Conveyance	2,37,433	5,88,481
Waiver of Student Fees	80,000	-
TOTAL	1,24,60,423	1,40,47,352