

Action Taken Report

Financial Year 2023-24 / Assessment Year 2024-25)

1. General Observations and Actions Taken

- **Observation:** Debit and credit balances appearing in the Balance Sheet are subject to confirmation.

Action Taken: The management has initiated the process of reconciling and confirming all debit and credit balances with respective parties. Necessary adjustments will be made in the subsequent financial year upon receipt of confirmations.

- **Observation:** Accounts are prepared on the Mercantile System of Accounting.

Action Taken: The accounting system has been maintained as per the Mercantile System, ensuring that all income and expenses are recorded on an accrual basis. No further action is required as this is in line with standard accounting practices.

- **Observation:** The institute is a division of Gokul Foundation, and its accounts are maintained separately.

Action Taken: The accounts of HCET are maintained separately, and the income and expenditure are consolidated with Gokul Foundation. This practice will continue to ensure transparency and compliance with the Bombay Public Trust Act.

2. Fixed Assets and Depreciation

- **Observation:** Fixed assets are stated at cost, including all direct costs and expenses incurred in connection with their acquisition.

Action Taken: The fixed assets have been recorded at cost, and all related expenses have been appropriately capitalized. The management has ensured that all fixed assets are properly documented and verified.

- **Observation:** Depreciation has been provided on a straight-line method as per the prescribed rates.

Action Taken: Depreciation has been calculated and charged as per the following rates:

- Building: 5%
- Furniture & Equipment: 15%
- Computers: 33%
- Books: 33%
- Vehicles & Others: 15%



The depreciation schedule has been reviewed and found to be accurate.

3. Taxation

- **Observation:** No provision for income tax has been made as no tax is payable.

Action Taken: The institute is exempt from income tax under the relevant provisions of the Income Tax Act. Taxes paid/TDS have been accounted for in the Profit & Loss Account. No further action is required.

4. Donations

- **Observation:** Specific donations for corpus and specific expenditures are credited to respective funds. Other donations are considered as revenue.

Action Taken: Donations have been appropriately classified and credited to the respective funds or revenue accounts as per the nature of the donation. This practice will continue to ensure proper utilization of funds.

5. Borrowing Costs

- **Observation:** Borrowing costs attributable to the acquisition or construction of qualifying assets are capitalized.

Action Taken: Interest on unsecured loans taken from Gokul Foundation has been apportioned and capitalized as per the accounting policy. This ensures that borrowing costs are correctly allocated to qualifying assets.

6. Employee Benefits

- **Observation:** Employee benefits, including salaries, gratuity, and provident fund, have been accounted for.

Action Taken: Salaries for teaching and non-teaching staff have been paid and accounted for. Gratuity and provident fund contributions have been made as per the applicable laws. The management has ensured compliance with all statutory requirements related to employee benefits.

7. Financial Performance

- **Observation:** The institute has reported a surplus of ₹5,92,54,110 for the year ended 31st March 2024.

Action Taken: The surplus has been transferred to Gokul Foundation as per the accounting policy. The institute has maintained a healthy financial position, and the surplus reflects efficient management of resources.



8. Audit Findings

- **Observation:** The audit report highlights that the financial statements are in accordance with the books of account and comply with the applicable accounting standards.

Action Taken: The management has reviewed the audit findings and ensured that all recommendations have been implemented. The financial statements have been prepared in compliance with the Bombay Public Trust Act and other relevant regulations.

9. Recommendations for Future

- Action Plan:

- Continue to maintain accurate records of fixed assets and ensure timely depreciation.
- Reconcile and confirm all outstanding balances with respective parties.
- Ensure compliance with all statutory requirements related to taxation and employee benefits.
- Maintain transparency in the utilization of donations and other funds.
- Regularly review and update accounting policies to ensure compliance with changing regulations.

Conclusion:

The financial statements of Hansaba College of Engineering & Technology (HCET) for the year ended 31st March 2024 have been prepared in accordance with the applicable accounting standards and statutory requirements. The management has taken necessary actions to address the observations and recommendations made during the audit. The institute is in a healthy financial position, and all necessary measures have been taken to ensure continued compliance and transparency.

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Date: 30th Sep, 2024

