

**INDEPENDENT AUDITORS'S REPORT**  
**TO THE COUNCIL OF TRUSTEES**  
**B.M.S. Educational Trust**

**Qualified opinion:**

We have audited the accompanying financial statements of **BMS College of Engineering (Aided), Bangalore** which comprise the Balance Sheet as at March 31, 2023, the Income and Expenditure Account for the year then ended including a summary of the significant accounting policies and other explanatory information. (Collectively considered as "Financial statements")

In our opinion, and to the best of our information and according to the explanations given to us, the accompanying Financial Statements give a true and fair view of the financial position except for the effects of matter described in the Basis for Qualified Opinion Section of our report of the Trust as at March 31, 2023 and of its financial performance for the year then ended, in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs as at March 31, 2023.
- b) In the case of the Income and Expenditure Account, of the excess of expenditure over income for the period ended on that date.

**Basis for Qualified Opinion:**

1. As referred to in Note 2(vi) of Schedule – N regarding depreciation on the assets acquired under grants not provided for the reasons stated and consequential impact, if any, on the financial statements is not ascertained at this stage.
2. As referred to in Note 2(vii) of Schedule – N regarding share of expenditure in respect of use of infrastructure facility of Unit is not identifiable separately. Further as referred to in Note 3 of Schedule – N regarding tuition fee of the management quota students partly are being accounted for in BMSET and that of international students is accounted partly in International Co-operation Division. Consequential effect on the financial statements not ascertained at this stage.
3. As referred to in Note 5 of Schedule – N regarding pending comprehensive reconciliation of fixed asset as detailed in the note, further impact, on the financial statement are not ascertained at this stage.
4. As referred to Note 8 of Schedule N regarding receipt of confirmation of balances, review/ reconciliation of certain advances to suppliers and service providers, including certain on going reconciliation of certain advances with corresponding bank accounts as detailed in the said note, adjustments/further impact, if any, on the financial statement is not ascertained at this stage.

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by ICAI. 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 Institute of Chartered Accountants of India ("ICAI") and we have fulfilled our other ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



- 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 the ability of the Trust 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 the Trust to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For B.K. RAMADHYANI & CO LLP  
Chartered Accountants  
Firm Registration No: 0028785/S200021



CA. Vasuki H.S  
Partner

Membership No: 212013

Date: October 13, 2023  
Place: Bangalore.

B K RAMADHYANI & CO. LLP  
CHARTERED ACCOUNTANTS  
No. 68, # 4-B, Chitrapur Bhavan,  
8th Main, 15th Cross, Malleswaram,  
BANGALORE - 560 055.

B.M.S COLLEGE OF ENGINEERING, BANGALORE 560 019

AIDED COURSES

BALANCE SHEET AS AT MARCH 31, 2023

LIABILITIES	SCH	AS AT 31.03.2023	AS AT 31.03.2022	ASSETS	SCH	AS AT 31.03.2023	AS AT 31.03.2022
Designated Fund	A	9,95,08,983	9,36,18,022	Fixed Assets	F	48,91,67,891	42,94,56,223
Inter College A/c & other items	B	53,66,32,590	48,82,14,527	Cash & Bank Balance	G	6,03,12,136	8,40,16,424
Grants from Central/ State Govt. University, UGC & CAS	C	42,61,45,894	37,58,57,450	Fixed Deposits with Banks (TEQIP)		7,56,62,066	9,02,56,704
Scholarships	D	16,76,311	31,33,986	Arrears of Fees	H	1,09,12,986	72,99,925
Other Liabilities	E	1,18,21,481	1,66,37,972	DTE Maintenance Grants Receivable		3,60,62,614	7,50,76,877
Sundry Creditors		1,00,46,660	53,93,938	Advances	I	69,51,143	9,60,537
Establishment Charges Payable		-	1,23,11,497	Deposits	J	15,38,111	15,38,111
Provision for Salary Grants Payable		61,30,259	82,76,147	Income & Expenditure B/F		31,48,38,738	28,45,07,507
				Add: Excess of Expenditure Over Income for the year		9,65,16,493	3,03,31,231
Total		1,09,19,62,178	1,00,34,43,539	Total		41,13,55,231	31,48,38,738
						1,09,19,62,178	1,00,34,43,539

Accounting policies and notes to accounts Schedule - N

Vide our report of even date attached  
For B.K.Ramadhani & Co LLP  
Chartered Accountants  
Firm Registration No : 0028785/S200021

Vasuki H S

Partner  
Membership No. 212013

Place: Bangalore  
Date : October 13, 2023

B K RAMADHANI & CO. LLP  
CHARTERED ACCOUNTANTS  
No. 68, # 4-B, Chitrapur Bhavan,  
8th Main, 15th Cross, Malleswaram,  
BANGALORE - 560 055.

Venkatesha H  
Assistant Administrative Officer  
Asst. Administrative Officer  
BMS College of Engineering  
Bangalore - 560 019

Dr. Muralidhara S  
Principal  
Principal  
B.M.S. College of Engineering  
Bangalore-560 019

Prakash-D Rao  
Senior Manager (Finance 1)  
Senior Manager (Finance-1)  
BMSET

For BMS College of Engineering



B.M.S COLLEGE OF ENGINEERING, BANGALORE 560 019

AIDED COURSES

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED MARCH 31, 2023

(Amount in Rs.)

EXPENDITURE	SCH	CURRENT YEAR	PREVIOUS YEAR	INCOME	SCH	CURRENT YEAR	PREVIOUS YEAR
Establishment Charges		19,44,73,262	21,90,90,788	Tuition Fees (CET) and other fees		1,69,43,782	1,74,71,296
				Tuition Fees (PIO)		1,91,25,000	2,79,00,000
Department Recurring Expenditure	K	1,21,78,448	92,04,972	Tuition Fees (MGT)		1,17,50,000	1,37,50,000
Contingency and Others Expenditure	L	1,60,21,877	1,10,54,205	Interest Income		1,95,790	1,64,258
Maintenance Expenditure	M	2,86,89,663	2,63,94,539	Audit Objection Recovery		2,329	-
CAS Grants Recurring Expenditure		61,25,546	38,05,019	CAS/VTU VGST Recurring Grants		61,25,546	38,05,019
Staff Development Expenditure		31,20,875	33,12,033	Library Fine		-	156
Grants Recovered		3,94,98,241	-	Maintenance Grants		16,14,25,604	18,83,17,679
				Misc Income		-	2,74,125
Depreciation	F	1,19,76,632	91,52,208	Excess of Expenditure over Income for the year		9,65,16,493	3,03,31,231
Total		31,20,84,544	28,20,13,764	Total		31,20,84,544	28,20,13,764

Accounting policies and notes to accounts Schedule - N

Vide our report of even date attached  
For B.K.Ramadhyan & Co LLP  
Chartered Accountants  
Firm Registration No : 002878S/S200021

Vasuki H S.  
Vasuki H S  
Partner  
Membership No. 212013

Place: Bangalore  
Date : October 13, 2023

B K RAMADHYANI & CO. LLP  
CHARTERED ACCOUNTANTS  
No. 68, # 4-B, Chitrapur Bhavan,  
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BANGALORE - 560 055.

For BMS College of Engineering

Venkatesha H  
Assistant Administrative Officer  
Asst. Administrative Officer  
BMS College of Engineering  
Bangalore - 560 019

Dr.S. Muralidhar  
Principal  
Principal  
B.M.S. College of Engineering  
Bangalore-560 019

Prakash D Rao  
Senior Manager (Finance 1)  
Senior Manager (Finance-1)  
BMSET

**B.M.S COLLEGE OF ENGINEERING, BANGALORE 560 019**

**AIDED COURSES**

**Schedule-A**

**Designated Fund**

*(Amount in Rs.)*

SL.No.	PARTICULARS	AS AT 31.03.23	AS AT 31.03.22
1	Corpus Fund	2,29,17,870	2,17,36,569
2	Equipment Replacement Fund	2,26,54,991	2,14,71,777
6	Faculty Development Fund	2,35,32,980	2,21,90,402
4	Maintenance Fund	2,78,06,647	2,56,22,779
5	Staff Development Fund	25,96,495	25,96,495
	<b>Total</b>	<b>9,95,08,983</b>	<b>9,36,18,022</b>

\* Transferred from TEQIP during the year

**Schedule-B**

**Inter College Accounts & Other Items**

*(Amount in Rs.)*

SL.No.	PARTICULARS	AS AT 31.03.23	AS AT 31.03.22
1	B M S Evening College	(25,49,196)	(25,49,196)
2	B M S College of Engineering( MGT Books)	56,70,39,476	53,23,20,930
3	B M S Educational Trust	2,55,70,310	1,74,17,793
4	International Co-op Division	(5,36,00,000)	(5,89,75,000)
5	ICD MESS	1,72,000	-
	<b>Total</b>	<b>53,66,32,590</b>	<b>48,82,14,527</b>

**Schedule-C**

**Grants from Central /State Government, University,UGC, CAS**

*(Amount in Rs.)*

SL.No.	PARTICULARS	AS AT 31.03.23	AS AT 31.03.22
1	Building Grants (Centre & State)	36,27,993	36,27,993
2	Equipment Grants (Centre & State)	20,97,662	20,97,662
3	Adhoc Grants for land (State Govt.)	1,08,000	1,08,000
4	Rehabilitation Grants (State Govt.)	2,50,000	2,50,000
5	Under CAS Govt of India	11,78,02,522	11,70,09,639
6	Grants for R & D Project	81,94,352	81,94,352
7	Grants from UGC	2,81,941	2,81,942
8	Grants from DTE (State Govt.)	16,93,330	16,93,330
9	Grants from P.G course for building	25,50,000	25,50,000
10	Interest Earned on CAS Grants	1,67,15,877	1,63,37,930
11	Grants to P.G course	24,78,500	24,78,500
12	Awards and Prizes	6,40,204	6,40,204
13	Library Grants(TEQUIP)	34,742	34,742
14	BARC Project	8,630	8,630
15	TEQIP Assets Grants	18,99,96,532	18,99,96,532
16	TEQIP Assets Grants III	4,23,27,095	-
17	VGST Grants	2,37,73,517	1,73,87,866
18	SERB DST Grants Project	96,66,867	81,10,518
19	Pvt Grants (Non Government)	38,98,130	50,49,610
	<b>Total</b>	<b>42,61,45,894</b>	<b>37,58,57,450</b>

**Schedule-D**

**Scholarships**

*(Amount in Rs.)*

SL.No.	PARTICULARS	AS AT 31.03.23	AS AT 31.03.22
1	Scholarship DSW	14,50,290	29,07,965
2	Scholarship Misc.	2,26,021	2,26,021
	<b>Total</b>	<b>16,76,311</b>	<b>31,33,986</b>



## BMS College of Engineering Bangalore 560019

AIDED COURSES

Schedule - F

Fixed Assets

(Amount in Rs.)

Sl No	Particulars	Cost As At 04-2022	01-	Additions	Regrouping	Deletions	Cost As At 31-03- 2023	Aggregate Dep upto 01-04-2022	Deletions	Depreciation for the Year	Aggregate Dep upto 31-03-2023	WDV As At 31.03.2023	WDV As At 31.03.2022
<b>Management Funds</b>													
1	Land	1,20,469	-	-	-	-	1,20,469	-	-	-	-	1,20,469	1,20,469
2	Buildings	7,77,48,473	-	-	-	-	7,77,48,473	4,06,27,936	-	23,83,064	4,30,11,000	3,47,37,473	3,71,20,537
3	Computers & Software	4,04,91,102	-	1,13,83,373	-	-	5,18,74,475	3,70,09,869	-	25,38,932	3,95,48,801	1,23,25,674	34,81,233
4	Equipment's	8,74,15,922	-	1,36,30,073	-	-	10,10,45,995	5,51,76,888	-	59,53,302	6,11,30,190	3,99,15,805	3,22,39,034
5	Furniture & Fixtures	1,23,09,017	-	17,27,876	-	-	1,40,36,893	71,73,242	-	8,82,611	80,55,853	59,81,040	51,35,775
6	Library Books	23,65,091	-	3,58,125	-	-	27,23,216	19,25,601	-	2,18,723	21,44,324	5,78,892	4,39,490
	<b>Total</b>	<b>22,04,50,074</b>		<b>2,70,99,447</b>			<b>24,75,49,521</b>	<b>14,19,13,536</b>		<b>1,19,76,632</b>	<b>15,38,90,168</b>	<b>9,36,59,353</b>	<b>7,85,36,538</b>

Sl No	Particulars	Cost As At 04-2022	01-	Additions	Regrouping	Deletions	Cost As At 31-03- 2023	Aggregate Dep upto 01-04-2022	Deletions	Depreciation for the Year	Aggregate Dep upto 31-03-2023	WDV As At 31.03.2023	WDV As At 31.03.2022
1	Capital Work in Progress	-	-	-	-	-	-	-	-	-	-	-	-
	<b>Total</b>	<b>-</b>		<b>-</b>			<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Sl No	Particulars	Cost As At 04-2022	01-	Additions	Regrouping	Deletions	Cost As At 31-03- 2023	Aggregate Dep upto 01-04-2022	Deletions	Depreciation for the Year	Aggregate Dep upto 31-03-2023	WDV As At 31.03.2023	WDV As At 31.03.2022
<b>Grants Assests</b>													
1	Buildings	18,75,000	-	-	-	-	18,75,000	-	-	-	-	18,75,000	18,75,000
2	Equipment's	15,59,90,027	-	22,61,758	-	-	15,82,51,785	-	-	-	-	15,82,51,785	15,59,90,027
3	Furniture & Fixtures	3,08,456	-	-	-	-	3,08,456	-	-	-	-	3,08,456	3,08,456
4	Library Books	27,14,901	-	-	-	-	27,14,901	-	-	-	-	27,14,901	27,14,901
	<b>Total</b>	<b>16,08,88,384</b>		<b>22,61,758</b>			<b>16,31,50,142</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>16,31,50,142</b>	<b>16,08,88,384</b>

Sl No	Particulars	Cost As At 04-2022	01-	Additions	Regrouping	Deletions	Cost As At 31-03- 2023	Aggregate Dep upto 01-04-2022	Deletions	Depreciation for the Year	Aggregate Dep upto 31-03-2023	WDV As At 31.03.2023	WDV As At 31.03.2022
<b>Tequip Grant Asset</b>													
1	Buildings	85,45,269	-	-	-	-	85,45,269	-	-	-	-	85,45,269	85,45,269
2	Equipment's	14,04,07,237	-	-	4,23,27,095	-	18,27,34,332	-	-	-	-	18,27,34,332	14,04,07,237
3	Vehicles	4,02,893	-	-	-	-	4,02,893	-	-	-	-	4,02,893	4,02,893
4	Furniture & Fixtures	27,85,574	-	-	-	-	27,85,574	-	-	-	-	27,85,574	27,85,574
5	Library Books	3,78,90,328	-	-	-	-	3,78,90,328	-	-	-	-	3,78,90,328	3,78,90,328
	<b>Total</b>	<b>19,00,31,301</b>		<b>-</b>	<b>4,23,27,095</b>		<b>23,23,58,396</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>23,23,58,396</b>	<b>19,00,31,301</b>
	<b>Grand Total</b>	<b>57,13,69,759</b>		<b>2,93,61,205</b>	<b>4,23,27,095</b>		<b>64,30,58,059</b>	<b>14,19,13,536</b>		<b>1,19,76,632</b>	<b>15,38,90,168</b>	<b>48,91,67,891</b>	<b>42,94,56,223</b>





**B.M.S COLLEGE OF ENGINEERING, BANGALORE 560 019**

**B.M.S COLLEGE OF ENGINEERING, BANGALORE 560 019**

**AIDED COURSES**

**Schedule-E**

**Other Liabilities**

*(Amount in Rs.)*

SL.No.	PARTICULARS	AS AT 31.03.23	AS AT 31.03.22
	<b>Employee's Related</b>		
1	Alumini Association Loan Recovery	13,621	13,621
2	Security Deposit	1,40,970	1,06,701
3	Family Benefit Fund	-	(170)
4	Income Tax	4,202	82,48,244
5	L.I.C.	15,75,241	15,90,810
6	Loan for Two/Four Wheeler Vehicle	3,890	-
7	National Pension Scheme (GIA EMLP)	1,86,769	1,55,868
8	DTE MISC FEE PAYABLE	5,23,050	5,23,050
9	Stamp Duty Recovery	3,508	1,929
10	Maintenance/DTE Grant payable	-	(20,88,979)
11	Other Liabilities (General)	15,93,315	-
12	Professional Tax Payable A/c	-	(24,960)
13	Bank Interest to DTE	8,51,715	7,63,038
14	VTU Reg., Misc., & other	15,480	-
15	Bank Loan Recovery	2,500	-
	<b>Other than Employee's Related</b>		
1	C/D. L/D. A/C.	11,94,750	10,96,250
2	Refund of Fees	57,12,470	57,12,470
3	Suspense Tuition fees	-	5,40,100
	<b>Total</b>	<b>1,18,21,481</b>	<b>1,66,37,972</b>

**Schedule -G**

**Cash and Bank Balance**

*(Amount in Rs.)*

SL.No.	PARTICULAR	AS AT 31.03.23	AS AT 31.03.22
1	<b>Indian Bank BMSCE H' Nagar</b>		
	S B NO 20274185738	19,47,407	1,89,79,270
	S B NO 25622	28,82,373	42,51,749
	S B NO 50077625295	4,63,042	4,50,902
	S B NO 64059812588(SBM)	3,82,58,734	4,99,51,123
2	<b>Indian Bank BMSCE D V G Rd</b>		
	S B NO 20022950209	1,04,09,124	67,67,060
	S B NO 50483059892 SERB	25,25,432	11,08,626
3	<b>Indian Bank BMSCE H' Nagar TEQIP ACCOUNT</b>		
	S B NO 50092591117	62,915	61,214
	S B NO 50092589368	1,55,754	1,51,543
	S B NO 50092573175	4,221	2,55,721
	S B NO 50092587338	1,494	1,454
	S B NO 50496514746	94,083	90,889
	S B NO 50496514859	10,10,576	19,46,873
4	<b>INDIAN BANK, BMSCE H' Nagar, VTU ACCOUNT</b>		
	C.A A/C NO: 7266641597	2,94,852	-
	C.A A/C NO: 7268643572	1,38,602	-
5	<b>BANK A/C OTHERS</b>		
	Hod Chem 20274180784	56,197	-
	Hod Civil 20274181427	1,70,194	-
	Hod Cv Survey Camp S No 2027420002	4,29,236	-
	Hod Elect & Elect. - A/C NO. 20274182545	1,92,856	-
	HOD ELNS S B NO 20274180376	2,56,593	-
	HOD IEM - A/C NO. 20274182737	13,229	-
	HOD MATHEMATICS - A/C NO. 20274195009	4,61,301	-
	HOD MECHANICAL - A/C NO. 20274181802	51,396	-
	HOD PHYSICS - A/C NO. 20274182624	11,957	-
	LIBRAIRAN - A/C NO. 50143610761	1,728	-
	MECH. ENG. ASSOCIATION - A/C NO. 20274192508	4,18,840	-
	<b>Total</b>	<b>6,03,12,136</b>	<b>8,40,16,424</b>



**B.M.S COLLEGE OF ENGINEERING, BANGALORE 560 019**

**AIDED COURSES**

**Schedule- H**

**Advances**

*(Amount in Rs.)*

SL.No.	PARTICULARS	AS AT 31.03.23	AS AT 31.03.22
1	Arrears receivable from students	60,09,026	53,69,840
2	CET Dues(By DTE) 1st year fees	49,03,960	19,30,085
	<b>Total</b>	<b>1,09,12,986</b>	<b>72,99,925</b>

**Schedule-I**

**Advances**

*(Amount in Rs.)*

SL.No.	PARTICULARS	AS AT 31.03.23	AS AT 31.03.22
1	Advance CAS/VGST	15,000	50,000
2	Management Fund (Grants)25% VTU 75%	-	4,33,780
3	Salary Advance for Aided Employees	68,80,000	2,82,699
4	15% OF GIA Employees recovery	-	26,128
5	Prepaid Expenses	50,424	1,67,930
6	Festival Advance	2,000	-
7	Imprest amount	3,719	-
	<b>Total</b>	<b>69,51,143</b>	<b>9,60,537</b>

**Schedule-J**

**Deposits**

*(Amount in Rs.)*

SL.No.	PARTICULARS	AS AT 31.12.22	AS AT 31.03.22
1	Deposits Cylinder	4,500	4,500
2	Postage and Telegraph	5,263	5,263
3	Power and Light Deposit	15,14,398	15,14,398
4	Telephone Deposits	13,500	13,500
5	Water charges with BWSSB	450	450
	<b>Total</b>	<b>15,38,111</b>	<b>15,38,111</b>





**B.M.S COLLEGE OF ENGINEERING, BANGALORE 560 019**

**AIDED COURSES**

**Schedule-K**

**Departmental Recurring Expenditure**

(Amount in Rs.)

S No	PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
1	Electronics Engg Recurring Exp	8,33,323	3,07,196
2	Internet Vsnl and Other Exp	40,41,984	36,25,892
3	Journal and Subscription	7,11,602	30,694
4	Chemistry Recurring (R)	4,37,482	8,10,018
5	Civil Engg.Recurring Exp.	13,72,650	13,49,441
6	Electrical Engg Recurring Exp.	12,88,901	3,65,158
7	I.E.M.Engg Recurring Exp.	5,26,534	3,85,771
8	Library Recurring Exp	6,33,313	11,11,808
9	Mathematics Recurring Exp.	2,09,206	85,668
10	Mechanical Engg (R)	14,45,443	6,17,253
11	Physics Recurring	6,78,010	5,10,073
12	Med. Elns Recurring	-	6,000
	<b>Total</b>	<b>1,21,78,448</b>	<b>92,04,972</b>

**Schedule-L**

**Contingency And Others**

(Amount in Rs.)

S No	PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
1	Advertisement Charges	7,16,950	4,64,892
2	Bank Charges	12,099	10,296
3	Magazine expenses	51,400	40,236
4	Postage and Telegrams	24,451	20,352
5	Power and Light Charges	1,24,04,878	91,17,795
6	Printing and Stationery	16,45,616	6,71,556
7	Prior Period Expenses	-	41,566
8	Telephone Charges	1,21,361	1,18,428
9	Water Charges	4,90,980	5,40,000
10	Reading Room & Periodicals Exp	40,510	29,084
11	Miscellaneous Expenses	5,04,908	-
12	NPS Service Charges	8,724	-
	<b>Total</b>	<b>1,60,21,877</b>	<b>1,10,54,205</b>

**Schedule M**

**Maintenance Expenditure**

(Amount in Rs.)

S No	PARTICULARS	CURRENT YEAR	PREVIOUS YEAR
1	Campus Cleaning /Security Charges	1,69,45,002	1,49,87,717
2	Building Maintenance & Upkeep	4,33,155	-
3	Property Tax	81,27,836	85,55,602
4	Campus Electrical Expenses	31,83,670	28,51,220
	<b>Total</b>	<b>2,86,89,663</b>	<b>2,63,94,539</b>



**BMS COLLEGE OF ENGINEERING (Aided Courses) , BANGALORE 560019**

**SCHEDULE - N**

**NOTES TO ACCOUNTS FORMING PART OF THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR  
MARCH 31, 2023**

**1. BACKGROUND:**

BMS College of Engineering (Aided Courses) is part of and managed by BMS Educational Trust (BMSET). These financial statements are prepared for the purpose of consolidation with BMSET which is subject to audit under 12A of the Income Tax Act 1961.

**2. ACCOUNTING POLICIES:**

- i. Financial Statements are prepared under accrual system of accounting.
- ii. The presentation of financial statements in conformity with generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities as on the date of the financial statements and reported amount of revenues and expenses during the reporting period. Differences between the actual results and estimates are recognized in the period in which the results are known/ materialized.
- iii. Fixed assets are stated at their original cost of acquisition and subsequent improvements thereto including taxes, duties, freight and other incidental expenses related to acquisition and installation of the assets concerned.
- iv. Income from fees for the year is recognized on an accrual basis. Fees received in advance are considered as liability. Interest income is recognized on time proportionate basis.
- v. Fixed Assets are accounted at acquisition cost. Any Grants related to Fixed Assets are accounted separately and are generally not reduced from the cost of the asset.
- vi. Depreciation on Fixed Assets is charged as per written down value method.
  - a. In respect of additions during the year, depreciation is provided from the month of addition.
  - b. No depreciation is provided on fixed assets acquired under plan scheme as they are funded by grant.
- vii. Share of expenditure in respect of infrastructure used by BMS Evening College of Engineering, Post Graduate courses, International Co-operative Division, International Co-operative Division Hostel, Placement and Training are not identifiable separately and hence not transferred to the respective entities.





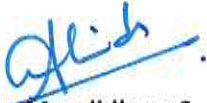
- viii. (a) Grants are accounted on accrual basis after obtaining reasonable assurance of subsequent receipt as a matter of prudence.  
(b) Interest on Unutilized grant amount held in Bank accounts is included in Grants and the same has not been considered as income in accordance with the Grants Terms & Conditions.
- ix. Provisions are recognized when the trust has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed regularly and are adjusted where necessary to reflect the current best estimate of the obligation.
- x. Contingent liabilities are disclosed in respect of possible obligation that arise from the past events but their existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the trust.  
Contingent Assets are not recognized or disclosed in the financial statements.
3. Fees from management quota students are collected and accounted in BMSET which is partly transferred to BMSCE during the year. Portion of fees stipulated by the management in respect of international students is accounted for and transferred by International co-operation Division, another division of BMSET, a sum of Rs. 1,91,25,000/- that has been accounted as income. Similarly an amount of Rs. 1,17,50,000/- is being received from BMSET and accounted as income in respect of share of management quota students.
4. Salary grants receivable are accrued based on available information and is under review. During an earlier year the Directorate of Technical Education (herein referred as "DTE") authorities disallowed salary grants based on audit observations / comments for a total amount of Rs. 3,94,98,241/- pertaining to the years 2011-12 to 2016-17. Further an amount of Rs. 3,95,55,150/- which were receivable from DTE authorities based on the said audit observations have been adjusted against the above said disallowances. The Management of the College had furnished certain replies and made representations on the observations of DTE on the disallowed portion which was not paid. Based on assessment of the relevant facts and considering the current circumstances, management during the year decided to write off the said receivable from DTE which were disallowed on various grounds in their audit. These amounts were adjusted from the grant claims. The said matter is still being pursued and any recoveries thereon from DTE will be accounted as and when received. The DTE audit of subsequent years are pending and further adjustments, if any, regarding salary grant payable/receivable will be made upon completion of such audits.
5. Physical verification of fixed assets was completed during the year. However, corresponding reconciliation with book records is under progress. Adjustment required if any, will be carried out on completion of reconciliation and updation of book records.





6. Review / reconciliation of other liabilities /VTU dues are under progress. Adjustments, if required, will be carried out upon receipt of confirmation of balances and completion of review/reconciliation in the consolidated financial statements of BMSET.
7. According to the management, BMSET and various colleges and accounting entities thereof exists solely for the purpose of education and no part of these activities is commercial/industrial/business in nature and consequently relevant accounting standards issued by the Institute of Chartered Accountants of India are not mandatory and hence not applicable.
8. The management is in process of reconciling certain advances/imprest accounts of Heads of departments of college (HOD) that are reportedly used for certain programs run by HOD along with the respective bank accounts operated by the HODs mostly in their individual capacities. These bank accounts' closing balances as at March 31, 2023 are recorded in books amounting to Rs.20,63,527/- (Indian Bank) with a view to facilitate timely utilization of advances and consequent accounting and monitoring. The corresponding balances are classified partly under current liabilities and partly adjusted under advances (assets). Management is confident that there are no further material adjustments required to be made in the financial statements as at March 31, 2023. Adjustments, if any, will be carried out after identification and completion of the comprehensive exercise of reconciliation of program advances with respective bank accounts as detailed above.
9. Previous Year figures have been regrouped wherever necessary to make them comparable with current year.

For BMS College of Engineering (Aided Courses)

  
Dr. Muralidhara S  
Principal  
B.M.S. College of Engineering  
BANGALORE - 560 019  
Place: Bangalore  
Date: October 13, 2023

  
Prakash D. Rao  
Senior Manager Finance 1

