

# **The National Commission for Minority Educational Institutions (Annual Statement of Accounts) Rules, 2006**

UNION OF INDIA

India

## **The National Commission for Minority Educational Institutions (Annual Statement of Accounts) Rules, 2006**

### **Rule**

### **THE-NATIONAL-COMMISSION-FOR-MINORITY-EDUCATIONAL-INSTITUTIONS of 2006**

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The National Commission for Minority Educational Institutions (Annual Statement of Accounts) Rules, 2006 Published vide Notification No. G.S.R. 286(E), dated 1st May, 2006 Ministry of Human Resource Development (Department of Secondary and Higher Education) G.S.R. 286(E). - In exercise of the powers conferred by Sub-section (1), read with clause (c) of Sub-section (2), of Section 24 of the National Commission for Minority Educational Institutions Act, 2004 (2 of 2005), and in consultation with the Comptroller and Auditor General of India, as required under Sub-section (1) of Section 15 of the said Act, the Central Government hereby makes the following rules, namely :-

### **1. Short title and commencement.**

(1) These rules may be called the National Commission for Minority Educational Institutions (Annual Statement of Accounts) Rules, 2006. (2) They shall come into force on the date of their publication in the Official Gazette.

### **2. Definitions.**

- In these rules, unless the context otherwise requires, - (a) "Act" means the National Commission for Minority Educational Institutions Act, 2004 (2 of 2005); (b) "Audit Officer" means the Comptroller and Auditor-General of India or any person appointed by him in connection with the audit of the

accounts of the Commission;(c)"Chairman" means the Chairman of the National Commission for Minority Educational Institutions;(d)"Commission" means the National Commission for Minority Educational Institutions constituted under section 3;(e)"Form" means a form appended to these rules;(f)"Secretary" means the Officer appointed by the Central Government under sub-section (1) of section 6;(g)"Section" means a section of the Act;(h)Words and expressions used but not defined in these rules and defined in the Act shall have the meaning respectively assigned to them in the Act.

### 3. Accounts of the Commission.

(1)The annual statement of accounts of the Commission for every financial year beginning with the financial year 2004-2005 shall be prepared by the Secretary.(2)The annual statement of accounts duly approved by the Commission shall be submitted by the Secretary to the Central Government by such date as may be specified by the Central Government.(3)The Secretary shall supervise the maintenance of the accounts of the Commission, the compilation of financial statement and return and shall also ensure that all accounts, books, connected vouchers and other documents and papers of the Commission required by the Audit Officer for the purpose of auditing the accounts of the Commission are placed at the disposal of that officer.(4)The accounts of the Commission including initial accounts shall be maintained in Form A and the Schedules thereto.(5)The annual statements of accounts shall be signed and authenticated by the Secretary.(6)The annual statement of accounts shall be submitted to the Audit Officer on or before the 30th June following the year to which the accounts relate, and the Audit Officer shall audit the accounts of the Commission and report thereon.(7)The Commission shall, within thirty days of receipt of Audit Report, remedy any defect or irregularity pointed out therein and report to the Central Government and the Audit Officer about the action taken by it thereon.[Form-A] [Substituted by Notification No. G.S.R. 1076(E), dated 17.11.2016 (w.e.f. 1.5.2006)][See Clause 3 (4)]National Commission for Minority Educational InstitutionsAccounts of the CommissionBalance Sheet of the National Commission for Minority Educational InstitutionsFor the year ended \_\_\_\_\_ (Amount in Rupees)

Sources of Funds	Schedule	Current Year	Previous Year
Corpus/ Capital FundDesignated/ Earmarked/ EndowmentFundsCurrent Liabilities & Provisions	123		
Total			
Application of Fund	Schedule	Current Year	Previous Year
Fixed Assets	4		
Tangible Assets			
Intangible Assets			
Capital Works-In-Progress			
Investments From Earmarked/ Endowment Funds	5		
Long Term			
Short Term			
Investments - Others	6		

Current Assets 7

Loans, Advances &amp; Deposits 8

Total

Significant Accounting Policies 23Contingent Liabilities and Notes to Accounts 24National  
Commission for Minority Educational InstitutionsIncome and Expenditure Account for the Period/  
Year Ended \_\_\_\_\_Amount in Rupees

Particulars	Schedule	Current Year	Previous Year
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Income

Academic ReceiptsGrants/ SubsidiesIncome from investmentsInterest earnedOther IncomePrior Period	91011121314		
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Income

Total (A)

Expenditure

Staff Payments & Benefits(Establishment expenses)Academic ExpensesAdministrative and General ExpensesTransportation ExpensesRepairs & MaintenanceFinance costsDepreciationOther ExpensesPrior Period Expenses	15161718192042122		
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Total (B)

Balance being excess of Income overExpenditure  
(A-B)Transfer to/ from Designated FundBuilding  
fundOthers (specify)

Balance Being Surplus/ (Deficit) Carried to Capital Fund

Significant Accounting Policies 23Contingent Liabilities and Notes to Accounts 24

**Forming Part of Balance Sheet****Schedule 1**

Corpus/ Capital FundAmount in Rupees

Particulars	Current Year	Previous Year
-------------	-----------------	------------------

Balance at the beginning of theyearAdd: Contributions towards Corpus/Capital FundAdd: Grants from UGC, Government ofIndia and State Government to the extent utilized for capitalexpenditureAdd: Assets Purchased out ofEarmarked FundsAdd: Assets Purchased out ofSponsored Projects, where ownership vests in the institutionAdd: Assets Donated/ Gifts ReceivedAdd: Other AdditionsAdd: Excess of Income over expenditure transferred from theIncome & Expenditure Account		
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Total

(Deduct) Deficit transferred from the Income & expenditure Account

Balance at the year end

## Schedule 2

Designated/ Earmarked/ Endowment Funds Amount in Rupees

Particulars	Fund wise Breakup	Total				
	Fund AAA	Fund BBB	Fund CCC	Endowment Funds	Current Year	Previous Year
A.						
a) Opening balance						
b) Additions during the year						
c) Income from investments made of the funds						
d) Accrued Interest on investments/ Advances						
e) Interest on Savings Bank a/c						
f) Other additions (Specify nature)						
Total (A)						
B.						
Utilisation/ Expenditure towards objectives of funds						
i) Capital Expenditure						
ii)Revenue Expenditure						
Total (B)						
Closing balance at the year end (A-B)	XX	YY	ZZ	LL		
Represented by						
Cash And Bank Balance						
Investments						
Interest accrued but not due						
Total	XX	YY	ZZ	LL		

## 2A

Endowment Funds Specimen format of Sub Schedule to support the figures in the column "Endowment Funds" in the Schedule "Earmarked/ Endowment Funds", forming part of the Balance Sheet. Amount in Rupees

1.Sr. No.	2.Name of the Endowment	Opening Balance	Additions during the year	Total	Expenditure on the object during the year	Closing Balance	Total (10 + 1)
3.Endowment	4.Accumulated Interest	5.Endowment	6.Interest	7.Endowment (3+5)	8.Accumulated Interest (4+6)	9.	10.Endowment
Total							

Notes

- 1. The total of Columns 3 & 4 will appear as the Opening Balance in the Column "Endowment Funds" in Schedule 2, of Earmarked Funds forming part of the Balance Sheet.**
- 2. The total of Col. 9 should normally be less than the total of Col. 8, as only the interest is to be used for the expenditure on the object of the endowments. (except Endowments for Chairs)**
- 3. There should not normally be a debit balance in the schedule. If in a rare case, there is a debit balance against any of the Endowment Funds, the debit balance should appear on the Assets side of the Balance Sheet as "Receivables", in Schedule - 8 Loans, Advances & Deposits.**

## Schedule 3

Current Liabilities & Provisions Amount in Rupees

	Current Year	Previous Year
A. Current Liabilities		
1. Deposits from stall		
2. Deposits from students		
3. Sundry Creditors		
a) For Goods & Services		
b) Others		
4. Deposit-Others (including EMD, Security Deposit)		
5. Statutory Liabilities (GPF, TDS, WC TAX, CPF, GIS, NPS):		
a) Overdue		
b) Others		
6. Other Current Liabilities		
a) Salaries		
b) Receipts against sponsored projects		
c) Receipts against sponsored fellowships & scholarships		

Unutilised Grants) Grants in advance) Other funds) Other liabilities

Total (A)

B. Provisions 1. For Taxation 2. Gratuity 3. Superannuation Pension 4.

Accumulated Leave Encashment 5. Trade Warranties/ Claims 6. Others (Specify)

Total (B)

Total (A+B)

Note: Unutilized grants 6 (d) will include grants received in advance for next year.

### 3 (A)

Sponsored Projects Amount in Rupees

1.Sr.No.	2.Name of the Project	Opening Balance	5.Receipts/ Recoveries during the year	6.Total	7.Expenditure during the year	Closing Balance
3.Credit	4.Debit	8.Credit	9.Debit			

Total

**1. The Projects may be listed agency-wise, with sub-totals for each agency.**

**2. The total of Col. 8 (Credit) will appear under the above head on the liabilities side of the Balance Sheet (Schedule 3).**

**3. The total of Col. 9 (Debit) will appear as Receivables in Schedule 8, Loans, Advances and Deposits, on the Assets side of the Balance Sheet.**

### 3 (B)

Sponsored Fellowships and Scholarships Amount in Rupees

1.Sl. No.	2.Name of the Sponsor	Opening Balance as on 01.04.....	Transactions During the year	Closing Balance as on 31.03.....	
3.	4.	5. CR.	6. DR.	7. CR.	8. DR. CR. DR.
	University				
1.	Grants Commission				
	Ministry				
2.	.....				
	Others (Specify individually)				
3.					

Total

Note:

**1. The total of Column 7, (Credit) will appear under the above head, on the liabilities side of the Balance Sheet (Schedule 3).**

**2. The total of Column 8 (Debit) will appear as Receivables on the Assets side of the Balance Sheet in Schedule 8 (Loans, Advances and Deposits).**

### 3(C)

Unutilised Grants from UGC, Government of India and State Governments Amount in Rupees

	Current Year	Previous Year
A. Plan grants: Government of India	Balance BIF	Add: Receipts during the year
Total (a)		
Less Refunds	Less: Utilized for Revenue Expenditure	Less: Utilized for Capital expenditure
Total (b)		
Unutilized	carried forward (a - b)	
B. UGC grants: Plan	Balance BIF	Receipts during the year
Total (c)		
Less Refunds	Less: Utilized for Revenue Expenditure	Less: Utilized for capital expenditure
Total (d)		
Unutilized	carried forward (c - d)	
C. UGC grants: Plan	Balance B/F	Receipts during the year
Total (e)		
Less Refunds	Less: Utilized for Revenue Expenditure	Less: Utilized for capital expenditure
Total (f)		
Unutilized	carried forward (e - f)	
D. Grants from State Govt.	Balance B/F	Receipts during the year
Total (g)		
Less: Utilized for Revenue Expenditure	Less: Utilized for capital expenditure	
Total (h)		

Unutilizedcarried forward (g - h)

\*Grand Total (A + B + C + D)

Notes:-- Unutilized grants includes advances on Capital Account- Unutilized grants include grants received in advance for the next year- Unutilized grants are represented on the Assets side by Bank balances, Short term Deposits with Banks and Advances on Capital Account

## Schedule 4

Fixed AssetsUnder this head, classification and disclosures shall be as follows:

- |   |   |
|---|---|
| 1. Land                                   | Includes freehold land and leasehold land, to be shown distinctly   |
| 2. Site Development                       |   |
| 3. Buildings                              | Include Institution's buildings like college buildings, office buildings, staff residential buildings, hostel buildings, temporary structures and sheds.  |
| 4. Plant and machinery                    | Include air conditioners, water/ air coolers, generator sets, television sets, fire extinguishers, etc.   |
| 5. Electrical installation                | Include electrical fixtures and fittings such as fans, and tube light fittings  |
| 6. Tube wells & water supply system       | Tube-wells and water supply systems may be shown as a distinct category   |
| 7. Office equipment                       | Include such items as fax machines, photocopiers, EPABX, typewriters, duplicating machines, etc.  |
| 8. Laboratory & Scientific Equipment      | Include such items as microscopes, telescopes, dissection equipment, glass apparatus, measurement instruments and other types of laboratory equipment   |
| 9. Audio Visual Equipment:                | Include Television sets, overhead projector, Tape Recorders, DVD/ VCD Player, Camera, Movie Projectors etc.   |
| 10. Furniture, fixtures and Fittings      | Include items such as desks/ benches, cabinets, almirahs, tables, chairs, partitions, etc.  |
| 11. Computers/ Peripherals                | Include computers, printers and other peripherals like, UPS etc.  |
| 12. Sports Equipment                      | Include items such as table tennis table, gym equipment.  |
| 13. Vehicles                              | Include Buses, lorries, vans, Cars, scooters, etc.  |
| 14. Library Books and Scientific Journals | Library books will include books/ Scientific Journals   |
| 15. Intangible assets                     | Include computer software, patents & trade marks, E Journals specified separately.  |
| 16. Capital Work-In-Progress              | Fixed assets in the course of construction should be shown against this head till they are ready for their intended use. Plant, machinery and equipment acquired and pending installation and commissioning should also be included here. |



## Schedule 4

Fixed Assets Amount in Rupees

Sl. No.	Assets Heads	Gross Block	Depreciation for the year .....	Net Block					
Op. Balance 01.04 ...	Additions	Deductions	Cl. Balance	Dep Opening Balance	Depreciation for the year	Deduction/ Adjustment	Total Depreciation	31.03..	
.....									
1	Land								
2	Site Development								
3	Buildings								
4	Roads & Bridges								
5	Tubewell & Water Supply								
6	Sewerage & Drainage								
7	Electrical Installation and equipment								
8	Plant & Machinery								
9	Scientific & Laboratory Equipment								
10	Office Equipment								
11	Audio Visual Equipment								
12	Computers & Peripherals								
13	Furniture, Fixture & Fittings								
14	Vehicles								
15									

	Lib. Books & Scientific Journals								
16	Small Value Assets								
Total (A)									
17	Capital Work in Progress (B)								
		Op. Balance 01.04 ... .....	Additions	Deductions	Cl.- Balance	Dep Opening Balance	Depreciation for the year	Deduction/ Adjustment	Total Depreciation
18	Computer Software								
19	E-Journals								
20	Patents								
Total (C)									
	Grand Total(A + B + C)								

Note: The figure in Column 'Deductions' under Gross Block against the head Capital Work in Progress represents the transfer from Work in Progress to Assets during the year. The figures in column 'Additions during the year under Gross Block against Assets 1 to 14 include transfer from Work in Progress during the year, as well as further acquisitions during the year.

#### 4A

PlanAmount in Rupees

Sl. No.	Assets Heads	Gross Block	Depreciation for the year .....	Net Block					
		Op. Balance 01.04 ... .....	Additions	Deductions	Cl. Balance	Dep Opening Balance	Depreciation for the year	Deduction/ Adjustment	Total Depreciation
1	Land								31.03..
2	Site Development								
3	Buildings								
4	Roads & Bridges								
5									

- Tubewell &  
Water Supply
- 6 Sewerage &  
Drainage
- Electrical  
Installation  
7 and  
equipment
- 8 Plant &  
Machinery
- 9 Scientific &  
Laboratory  
Equipment
- 10 Office  
Equipment
- 11 Audio Visual  
Equipment
- 12 Computers &  
Peripherals
- Furniture,  
13 Fixture &  
Fittings
- 14 Vehicles
- 15 Lib. Books &  
Scientific  
Journals
- 16 Small Value  
Assets

Total  
(A)

17 Capital Work in Progress (B)

Sl.No.	Intangible Assets	Op. Balance 01.04 ... .....	Additions	Deductions	Cl.- Balance	Dep Opening Balance	Depreciation for the year	Deduction/ Adjustment	Total Depreciation
18	Computer Software								
19	E-Journals								
20	Patents								
	Total (C)								

Grand Total(A + B + C)

## 4B

Non-PlanAmount in Rupees

Sl. No.	Assets Heads	Gross Block	Depreciation for the year .....	Net Block					
Op. Balance 01.04 ... ..	Additions	Deductions	Cl. Balance	Dep Opening Balance	Depreciation for the year	Deduction/ Adjustment	Total Depreciation	31.03..	
1	Land								
2	Site Development								
3	Buildings								
4	Roads & Bridges								
5	Tubewell & Water Supply								
6	Sewerage & Drainage								
7	Electrical Installation and equipment								
8	Plant & Machinery								
9	Scientific & Laboratory Equipment								
10	Office Equipment								
11	Audio Visual Equipment								
12	Computers & Peripherals								
13	Furniture, Fixture & Fittings								
14	Vehicles								

15 Lib. Books &  
Scientific  
Journals

16 Small Value  
Assets

Total  
(A)

17 Capital Work in Progress (B)

Sl.No.	Intangible Assets	Op. Balance 01.04 ...	Additions	Deductions	Cl.- Balance	Dep Opening Balance	Depreciation for the year	Deduction/ Adjustment	Total Depreciation
		.....							

18 Computer  
Software

19 E-Journals

20 Patents

Total  
(C)

Grand Total(A + B + C)

## 4 C

Intangible Assets Amount in Rupees

Sl No.	Asset Heads	Gross Block	Depreciation Block	Net Block

  

Op. Balance	Additions	Deductions	Cl. Balance	Depreciation/ Amortizations Opening Balance	Depreciation/ Amortizations for the year	Deduction/ Adjustment	Total Depreciation/ Amortizations

1 Patents &  
Copyrights

2 Computer  
Software

3 E-Journals

## 4(C) (i) Patents and Copyrights

Amounts in Rupees.

Particulars	Op. Balance	Addition	Gross Amortization	Net Block	Net Block 20

20 .....

.....

A. Patents Granted<sup>1</sup> Balance as on  
31.03.14 of Patents obtained in  
2008-09 (Original Value - Rs..../-)<sup>2</sup>  
Balance as on 31.03.14 of Patents obtained  
in 2010-11 (Original Value - Rs..../-)<sup>3</sup>  
Balance as on 31.03.14 of Patents obtained  
in 2012-13 (Original Value - Rs..../-)<sup>4</sup>  
Patents granted during the Current Year  
Total

Particulars	Op. Balance	Addition	Gross	Patents Granted/ Rejected	Net Block 2013-14	Net Block 2012-13
-------------	----------------	----------	-------	---------------------------------	----------------------	----------------------

B. Patents Pending in respect  
of Patents applied for<sup>1</sup> Expenditure  
incurred during 2009-10 to 2011-12<sup>2</sup>  
Expenditure incurred during 2012-13<sup>3</sup>  
Expenditure incurred during 2013-14  
Total

C. Grand Total (A+B)

Note: The addition in Part A (patents granted), will be the figure of patents granted during the year, transferred from Part B (column - Patents granted/ rejected). The amount against grants rejected during the year is written off in the Income and Expenditure Account.

## 4D Others

Amount in Rupees

Sl. No.	Assets Heads	Gross Block	Depreciation for the year .....	Net Block	Dep Opening Balance	Depreciation for the year	Deduction/ Adjustment	Total Depreciation	31.03.
Op. Balance	Additions	Deduct-ions	Cl. Balance						
01.04 ...									
1	Land								
2	Site Development								
3	Buildings								
4	Roads & Bridges								
5									

	Tubewell & Water Supply
6	Sewerage & Drainage
7	Electrical Installation and equipment
8	Plant & Machinery
9	Scientific & Laboratory Equipment
10	Office Equipment
11	Audio Visual Equipment
12	Computers & Peripherals
13	Furniture, Fixture & Fittings
14	Vehicles
15	Lib. Books & Scientific Journals
16	Small Value Assets
Total	
17	Capital Work in Progress

Grand  
Total

Note: The additions during the Year include additions form:

Gifted ....

Earmarked Funds ....

Sponsored Projects ....

Own Funds ....

Total ....

## Schedule 5

Investments From Earmarked/ Endowment Funds Amount in Rupees

	Current Year	Previous Year
1. In Central Government Securities		
2. In State Government Securities		
3. Other approved Securities		
4. Shares		
5. Debentures and Bonds		
6. Term Deposits with Banks		
7. Others (to be specified)		
Total		

### 5 (A)

Investments From Earmarked/ Endowment Funds (Fund Wise) Amount in Rupees

Sl. No.	Funds	Current Year	Previous Year
1	Endowment Fund Investments		
2			
3			
4			
5			
	Total		

Note : The Total in this sub schedule will agree with the total in Schedule 5.

## Schedule 6

Investments - Others Amount in Rupees

	Current Year	Previous Year
1. In Central Government Securities		
2. In State Government Securities		
3. Other approved Securities		
4. Shares		
5. Debentures and Bonds		
6. Others (to be specified)		
Total		

## Schedule 7

Current Assets Amount in Rupees

	Current Year	Previous Year
1. Stock		
a) Stores and Spares		
b) Loose Tools		
c) Publications		



- d) Laboratory chemicals, consumables and glass ware
- e) Building Material
- f) Electrical Material
- g) Stationery
- h) Water supply material
- 2. Sundry Debtors:
  - a) Debts Outstanding for a period exceeding six months
  - b) Others
- 3. Cash and Bank Balances
  - a) With Scheduled Banks:
    - In Current Accounts
    - In term deposit Accounts
    - In Savings Accounts
  - b) With non-Scheduled Banks:
    - In term deposit Accounts
    - In Savings Accounts
- 4. Post Office - Savings Accounts

Total

Note: Annexure A shows the details of Bank Accounts Annexure A Amount in Rupees

I. Savings Bank Accounts

- 1. Grants from UGC A/c
- 2. University Receipts A/c
- 3. Scholarship
- 4. Academic Fee Receipt A/c
- 5. Development (Plan) A/c
- 6. Combined Entrance Exams (CBT) A/c
- 7. UGC Plan Fellowship A/c
- 8. Corpus Fund A/c (EMF)
- 9. Sponsored Projects Fund A/c
- 10. Sponsored Fellowship A/c
- 11. Endowment & Chair A/c (EMF)
- 12. UGC JRF Fellowship A/c (EMF)
- 13. HBA Fund A/c (EMF)
- 14. Conveyance A/c (EMF)
- 15. UGC Rajiv Gandhi National Fellowship A/c (EMF)
- 16. Academic Development Fund A/c (EMF)
- 17. Deposit A/c

- 18. StudentFund A/c
- 19. StudentAid Fund NC
- 20. PlanGrants for specific schemes
- II. Current Account
- III. Term Deposits with Schedule Banks
- Total

## Schedule 8

Loans, Advances & DepositsAmount in Rupees

	Current Year	Previous Year
1. Advances to employees: (Non-interest bearing)		
a) Salary		
b) Festival		
c) MedicalAdvance		
d) Other (tobe specified)		
2. Long Term Advances to employees: (Interest bearing)		
a) Vehicleloan		
b) Home loan		
c) Others(to be specified)		
3. Advances and other amounts recoverable in cash or in kindor for value to be received:		
a) OnCapital Account		
b) toSuppliers		
c) Others		
4. Prepaid Expenses		
a) Insurance		
b) Otherexpenses		
5. Deposits		
a) Telephone		
b) LeaseRent		
c)Electricity		
d) AICTE, ifapplicable		
e) Others(to be specified)		
6. Income Accrued:		
a) OnInvestments from Earmarked: Endowment Funds		
b) OnInvestments-Others		

- c) On Loans and Advances
- d) Others (includes income due unrealized)
- 7. Other - Current assets receivable from UGC/ sponsored projects
  - a) Debit balances in Sponsored Projects
  - b) Debit balances in Sponsored Fellowships
  - c) Grants Receivable
  - d) Other receivables from UGC
- 8. Claims Receivable
- Total

Note 1. - If revolving funds have been created for House Building, Computer and Vehicle advances to employees, the advances will appear as part of Earmarked/ endowment Funds. The balance against these interest-bearing advances will not appear in this schedule.

## Forming Part of Income & Expenditure Account

### Schedule 9

Academic Receipts Amount in Rupees

Current Year    Previous Year

#### Fees From Students

##### Academic

1. Tuition fee
2. Admission fee
3. Enrollment fee
4. Library Admission fee
5. Laboratory fee
6. Art & Craft fee
7. Registration fee
8. Syllabus fee

Total (A)

##### Examinations

1. Admission test fee
2. Annual Examination fee
3. Mark sheet, certificate fee
4. Entrance examination fee

Total (B)

##### Other Fees

1. Identity card fee
2. Fine/ Miscellaneous fee
3. Medical fee
4. Transportation fee
5. Hostel fee

Total (C)

Sale of Publications

1. Sale of Admission forms
2. Sale of syllabus and Question Paper, etc.
3. Sale of prospectus including admission forms

Total (D)

Other Academic Receipts

1. Registration fee for workshops, programmes
2. Registration fees (Academic Staff College)

Total (E)

Grand Total (A + B + C + D + E)

Note. - In case fees like entrance fee, subscriptions etc are material and are in the nature of capital receipts, such amount should be recognized to the Capital Fund. Otherwise such fees will be appropriately incorporated in this schedule

## Schedule 10

Grants/ Subsidies (Irrevocable Grants Received) Amount in Rupees

Particulars	Plan	Total Plan	Non Plan UGC	Current Year Total	Previous Year Total
Govt. of India	UGC				
Plan	Specified Schemes				
Balance B/FAdd: Receipts during the year					
Total					
Less: Refund to UGC BalanceLess: Utilised for Capital expenditure (A)					
Balance					
Less: utilized for Revenue Expenditure (B)					
Balance C/F (C)					

A - Appears as addition to Capital Fund as well as additions to Fixed Assets during the year.B -

Appears as income in the Income & Expenditure Account.C - (I) Appears under Current Liabilities in the Balance Sheet and will become the opening balance next year.(II)Represented by Bank balances, Investments and Advances on the assets side.

## Schedule 11

Income From InvestmentsAmount in Rupees

Particulars	Earmarked/ Endowment Funds	Other Investments	Current Year	Previous Year
	Current Year	Previous Year	Current Year	Previous Year
1. Interesta. On Government Securitiesb. Other Bond debentures2. Interest on Term Deposits3. Income accrued but not due onTerm Deposits/ Interest bearing advances to employees4. Interest on Savings BankAccounts5. Others (Specify)				
Total				
Transferred to Earmarked/ Endowment Funds				
Balance	NIL	NIL		

Note. - Interest accrued but not due on Term Deposits from HBA fund-conveyance advance fund and Computer Advance fund and on interest bearing advances to employees will be included here (Item 3), only where Revolving funds (EMF) for such advances have been set up.

## Schedule 12

Interest EarnedAmount in Rupees

Particulars	Current Year	Previous Year
1. On Savings Accounts withscheduled banks2. On Loansa. Employees/ Staffb. Others3. On Debtors and Other Receivables		
Total		
Note:		

**1. The amount against item 1, in respect of Bank Accounts of Earmarked/Endowment Funds is dealt with in Schedule 11 (First Part) and Schedule 2.**

**2. Item 2(a) is applicable only if Revolving funds have not been constituted for such advances.**

## Schedule 13

Other Income/Items of material amounts included in Miscellaneous Income should be separately disclosed.Amount in Rupees

	Current Year	Previous Year
A. Income from Land & Buildings		
1. Hostel/Room Rent		
2. License fee		
3. Hire Charges of Auditorium/ Play ground/ Convention Centre, etc		
4. Electricity charges recovered		
5. Water charges recovered		
Total		
B. Sale of Institutes publications		
C. Income from holding events		
1. Gross Receipts from annual function/ sports carnival		
Less: Direct expenditure incurred on the annual function/ sports carnival		
2. Gross Receipts from fetes		
Less: Direct expenditure incurred on the fetes		
3. Gross Receipts for educational tours		
Less: Direct expenditure incurred on the tours		
4. Others (to be specified and separately disclosed)		
Total		
D. Others		
1. Income from consultancy		
2. RTI Fees		
3. Income from Royalty		
4. Sale of application from (recruitment)		
5. Misc. receipts (Sale of tender from, waste paper, etc.)		
6. Profit on Sale/ disposal of Assets		
a) Owned assets		
b) Assets received free of cost		
7. Grants/Donations from Institutions, Welfare Bodies and International Organizations		
8. Others (specify)		

Total

Grand Total (A+B+C+D)

## Schedule 14

Prior Period Income Amount in Rupees

Particulars	Current Year	Previous Year
-------------	--------------	---------------

1. Academic Receipts
  2. Income from Investments
  3. Interest earned
  4. Other Income
- Total

## Schedule 15

Staff Payments & Benefits (Establishment Expenses) These shall be classified separately for teaching and non-teaching staff; adhoc staff. O Arrears of DA, Salary arrears due to increment shall be shown separately Amount in Rupees

	Current Year		Previous Year	
	Plan	Non Plan	Total	Total
a) Salaries and Wages				
b) Allowances and Bonus				
c) Contribution to Provident Fund				
d) Contribution to Other Fund (specify)				
e) Staff Welfare Expenses				
f) Retirement and Terminal Benefits				
g) LTC facility				
h) Medical facility				
i) Children Education Allowance				
j) Honorarium				
k) Others (specify)				
Total				

## 15 A

Employees Retirement and Terminal Benefits Amount in Rupees

Leave Encashment Total

Pension Gratuity

Opening Balance as on \_\_\_\_\_ Addition : Capitalized value  
of Contributions Received from other Organizations

Total (a)

Less : Actual Payment during the Year (b)

Balance Available on 31.03 c (a-b)

Provision required on 31.03 as per Actuarial Valuation(d)

Provision to be made in the Current year (d-c)

Contribution to New Pension Scheme C. Medical Reimbursement to Retired

Employees D. Travel to Hometown on Retirement E. Deposit Linked Insurance

Payment

Total (A + B + C + D + E)

Note:

**1. The total (A+B+C+D+E) in this sub schedule will be the figure against Retirement and Terminal Benefits in Schedule 15.**

**2. Items B, C, D & E will be accounted on accrual basis and will include bills preferred but outstanding for payment on 31/3.**

## Schedule 16

Academic Expenses Amount in Rupees

	Current Year		Previous Year	
	Plan	Non Plan	Total	Total
a) Laboratory expenses				
b) Field work/ Participation in conferences				
c) Expenses on Seminars/ Workshops				
d) Payment to visiting faculty				
e) Examination				
f) Student Welfare expenses				
g) Admission expenses				
h) Convocation expenses				
i) Publications				
j) Stipend/ means-cum-merit scholarship				
k) Subscription Expenses				
l) Others (specify)				
Total				



## Schedule 17

### Administrative and General Expenses Amount in Rupees

	Current Year	Previous Year			
	Plan	Non Plan	Total Plan	Non Plan	Total
A. Infrastructure					
a) Electricity and power					
b) Water Charges					
c) Insurance					
d) Rent, Rates and Taxes (including property tax)					
B. Communication					
e) Postage and Stationery					
f) Telephone, Fax and Internet Charges					
C. Others					
g) Printing and Stationery (consumption)					
h) Traveling and conveyance Expenses					
i) Hospitality					
j) Auditors Remuneration					
k) Professional Charges					
l) Advertisement and Publicity					
m) Magazines & Journals					
n) Others (specify)					
Total					

## Schedule 18

### Transportation Expenses Amount in Rupees

Particulars	Current Year	Previous Year			
Plan	Non Plan	Total	Plan	Non Plan	Total
1. Vehicles (owned by institution)					
a) Running expenses					
b) Repairs & maintenance					
c) Insurance expenses					
2. Vehicles taken on rent/ lease					
a) Rent/ lease expenses					
3. Vehicle (Taxi) hiring expenses					

Total

**Schedule 19**

Repairs &amp; Maintenance Amount in Rupees

Particulars	Current	Previous			
	Year	Year			
Plan	Non Plan	Total	Plan	Non Plan	Total
a) Buildings					
b) Furniture & Fixtures					
c) Plant & Machinery					
d) Office Equipment					
e) Computers					
f) Laboratory & Scientific equipment					
g) Audio Visual equipment					
h) Cleaning Material & Services					
i) Book binding charges					
j) Gardening					
k) Estate Maintenance					
l) Others (Specify)					

Total

**Schedule 20**

Finance Costs Amount in Rupees

Particulars	Current Year		Previous Year		
	Non Plan	Total	Plan	Non Plan	Total
a) Bank Charges					
b) Others (specify)					

Total

Note. - If the amount is not material, the head Bank charges could be omitted and these could be accounted as Administrative expenses in Schedule 17.

**Schedule 21**

Other Expenses Amount in Rupees

Particulars	Current	Previous			
	Year	Year			
Plan	Non Plan	Total	Plan	Non Plan	Total
a) Provision for Bad and Doubtful Debts/ Advances					
b) Irrecoverable Balances Written - off					
c) Grants/ Subsidies to other institutions/ Organizations					
d) Others (specify)					

Total

Note. - Other expenses shall be classified as writes - off, provisions, miscellaneous expenses, loss on sale of investments, loss of fixed assets and loss on sale of fixed assets etc and disclosed accordingly.

## Schedule 22

Prior Period Expenses Amount in Rupees

Particulars	Current Year			Previous Year		
	Plan	Non Plan	Total	Plan	Non Plan	Total
1. Establishment expenses						
2. Academic expenses						
3. Administrative expenses						
4. Transportation expenses						
5. Repairs & Maintenance						
6. Other expenses						
Total						

## Forming Part of the Accounts Schedule: 23

Significant Accounting Policies (Illustrative)

**1. Basis for Preparation of Accounts. - The accounts are prepared under the Historical Cost Convention unless otherwise stated and generally on the Accrual method of accounting.**

### 2. Revenue Recognition.

2.1 Fees from Students (except Tuition Fees), Sale of Admission Forms, Royalty and Interest on Savings Bank account are accounted on cash basis. Tuition Fees collected separately for each semester is accounted on accrual basis. 2.2 Income from Land, Buildings and Other Property and Interest on Investments are accounted on accrual basis. 2.3 Interest on interest bearing advances to staff for House Building, Purchase of Vehicles and Computers is accounted on accrual basis every year, though the actual recovery of interest starts after the full repayment of the Principal.

### 3. Fixed Assets and Depreciation.

3.1 Fixed assets are stated at cost of acquisition including inward freight, duties and taxes and incidental and direct expenses related to acquisition, installation and commissioning. 3.2 Gifted/ Donated assets are valued at the declared value where available; if not available, the value is estimated based on the present market value adjusted with reference to the physical condition of the asset. They are set-up by credit to Capital Fund and merged with the Fixed Assets of the Institution.

Depreciation is charged at the rates applicable to the respective assets.3.3Books received as gifts, are valued at selling prices printed on the books. Where they are not printed, the value is based on assessment.3.4Fixed assets are valued at cost less accumulated depreciation. Depreciation on fixed assets is provided on Straight line method, at the following rates:

**Tangible Assets:**

1.	Land	0%
2.	Site Development	0%
3.	Buildings	2%
4.	Roads & Bridges	2%
5.	Tube wells & Water Supply	2%
6.	Sewerage & Drainage	2%
7.	Electrical Installation and equipment	5%
8.	Plant & Machinery	5%
9.	Scientific & Laboratory Equipment	8%
10.	Office Equipment	7.5%
11.	Audio Visual Equipment	7.5%
12.	Computers & Peripherals	20%
13.	Furniture, Fixtures & Fittings	7.5%
14.	Vehicles	10%
15.	Lib. Books & Scientific Journals	10%

**Intangible Assets (amortization):**

1.	E-Journals	40%
2.	Computer Software	40%
3.	Patents and Copyrights	9 years

3.5Depreciation is provided for the whole year on additions during the year.3.6Where an asset is fully depreciated it will be carried at a residual value of Re 1 in the Balance Sheet and will not be further depreciated Thereafter, depreciation is calculated on the additions of each year separately at the rate of depreciation applicable for that asset head.3.7Assets created out of Earmarked Funds and funds of Sponsored Projects, where the ownership of such assets vests in the Institution, are setup by credit to Capital Fund and merged with the Fixed Assets of the Institution. Depreciation is charged at the rates applicable to the respective assets. Assets created out of Sponsored Project funds, where the ownership is retained by the sponsors but held and used by the Institution are separately disclosed in the Notes on Accounts.3.8Assets, the individual value of each of which is Rs. 2000 or less (except Library Books) are treated as Small Value Assets, 100% depreciation is provided in respect of such assets at the time of their acquisition. However physical accounting and control are continued by the holders of such assets.

#### **4. Intangible Assets. - Patents and copy rights, E Journals and Computer Software are grouped under Intangible Assets.**

4.1 Patents. - The expenditure incurred from time-to-time (application fees, legal expenses etc.) for obtaining Patents is temporarily capitalized and shown as part of Intangible Assets in the Balance Sheet. If applications for patents are rejected, the cumulative expenditure incurred on the particular patent is written off to the Income & Expenditure Account in the year the application is rejected. The expenditure on Patents granted is written off over a life of 9 years on a conservative basis.

4.2 Electronic Journals (E-Journals) are separated from Library Books in View of the limited benefit that could be derived from the on-line access provided. E-journals are not in a tangible form, but temporarily capitalized and in view of the magnitude of expenditure and the benefit derived in terms of perpetual knowledge acquired by the Academic and Research Staff; Depreciation is provided in respect of E-journals at a higher rate of 40% as against depreciation of 10% provided in respect of Library Books.

4.3 Expenditure on acquisition of software has been separated from computers and peripherals, as apart from being intangible assets, the rate of obsolescence in respect of these is very high. Depreciation is provided in respect of software at a higher rate of 40% as against depreciation of 20% provided in respect of Computers & Peripherals.

**5. Stocks. - Expenditure on purchase of chemicals, glassware, publications and other stores is accounted as revenue expenditure, except that the value of closing stocks held on 31st March is set up as inventories by reducing the corresponding Revenue Expenditure on the basis of information obtained from Departments. They are valued at cost.**

**6. Retirement Benefits. - Retirement benefits i.e., pension, gratuity and leave encashment are provided on the basis of actuarial valuation. Capitalized Value of pension and gratuity received from previous employers of the Institution's employees, who have been absorbed in the Institution, is credited to the respective Provision Accounts. Pension contribution received in respect of employees on deputation is also credited to the Provision for Pension Account. The Actual payments of Pension, Gratuity and Leave encashment are debited in the Accounts to the respective provisions. Other retirement benefits viz. Deposit Linked Insurance, Contribution to New Pension Scheme, Medical reimbursement to retired employees and Travel to Home Town on retirement are accounted on accrual basis (actual payments plus outstanding bills at the end of the year).**

**7. Investments. - a. Long term investments are carried at their cost or face value whichever is lower. However any permanent diminution in their value as on the date of the Balance Sheet is provided for.**

b. Short Term investments are carried at their cost or market value (if quoted) whichever is lower.

**8. Earmarked/ Endowment Funds. - The following long terms funds are earmarked for specific purposes. Each of the funds has a separate bank account. Those with large balances also have investments in Government Securities, Debentures and Bonds and Term Deposits with Banks. The income from investments/ advances (House Building Conveyance and computer) on accrued basis and interest on savings Bank Accounts are credited to the respective Funds. The expenditure and advances (in the case of House Building & Conveyance/Computer) are debited to the fund. The assets created out of Earmarked Funds where the ownership Vests in the Institution, are merged with the assets of the Institution by crediting an equal amount to the Capital Fund. The balance in the respective funds is carried forward and is represented on the assets side by the balance at Bank , Investments and accrued interest.**

8.1Corpus Fund was established in (year). Matching contribution from University Grants Commission, Recognition/ Affiliation fee received from Colleges and other academic institutions, Institutions share of Consultancy fees and contributions from Research Projects are treated as additions to Corpus fund.Income from investments of the fund is added to the Fund. The Corpus Fund is utilized for both Revenue and Capital expenditure based on the guidelines by the University Grants Commission and the Executive council of the Institution from time to time. The assets created out of the Corpus Fund are merged with the assets of the Institution by crediting an equal amount to the Capital Fund. The balance in the Corpus Fund which is carried forward is represented by the balance in a separate Bank account, investment in RBI Bonds and Fixed Deposits with the Bank and Accrued interest on investments.8.2A. D Fund. - This fund was established on ISI February 2006. The fund is to be utilized for some of the innovative Programmes, and for sustenance of its research and such other development activities as laid down by the Executive Council from time to time.8.3House Building Advances Fund. - A revolving fund for the purpose of paying interest bearing advances to the officers & staff for House Building.8.4JRF/ SRF Fund. - Fund provided by the UGC/Government for the purpose of paying Fellowships to Junior/ Senior Research Fellows.8.5Conveyance Fund (including Computer advances). - A revolving fund for the purpose of paying interest bearing advances to officers & staff for the purchase of motor cars, two wheelers and computers.8.6Rajiv Gandhi National Fellowship Fund. - Fund provided by University Grants Commission for fellowship to SC/ST Students of the University.8.7Endowment Funds. - Endowments are funds received from various individual donors, Trusts and other organizations, for establishing Chairs and for Medals & Prizes, as specified by the Donors. While each of the

Endowment funds has its own investment there is one savings Bank Account for all the Endowment funds, as the uninvested balances against them are negligible. The income from investment of each Endowment Fund is added to the Fund. The interest on Savings Bank a/c is allocated to all the Endowment funds in the ratio of the year end closing balances in each fund. The expenditure on Medals & Prizes is met from the interest earned on investment of the respective Endowment Funds and the balance is carried forward. In respect of Chairs, however, the corpus of the Endowment is also used. The balances are represented by Investment in RBI Bonds and Fixed Deposits and balance in the Saving Bank Account common for all Endowments, and Accrued Interest on Investments.

## **9. Government and UGC Grants**

9.1 Government Grants and UGC grants are accounted on realization basis. However, where a sanction for release of grant pertaining to the financial year is received before 31st March and the grant is actually received in the next financial year, the grant is accounted on accrual basis and an equal amount is shown as recoverable from the Granter. 9.2 To the extent utilized towards capital expenditure, (on accrual basis) government grants and grants from UGC are transferred to the Capital Fund. 9.3 Government and UGC grants for meeting Revenue Expenditure (on accrual basis) are treated, to the extent utilized, as income of the year in which they are realized. 9.4 Unutilized grants (including advances paid out of such grants) are carried forward and exhibited as a liability in the Balance-Sheet.

**10. Investments Of Earmarked Funds And Interest Income Accrued On Such Investments. - To the extent not immediately required for expenditure, the amounts available against such funds are invested in approved Securities & Bonds or deposited for fixed term with Banks, leaving the balance in Savings Bank Accounts. Interest received, interest accrued and due and interest accrued but not due on such investments are added to the respective funds and not treated as income of the Institution.**

## **11. Sponsored Projects**

11.1 In respect of ongoing Sponsored Projects, the amounts received from sponsors are credited to the head "Current Liabilities and Provisions - Current Liabilities - Other Liabilities Receipts against ongoing sponsored projects." As and when expenditure is incurred advances are paid against such projects, or the concerned project account is debited with allocated overhead charges, the liability account is debited. 11.2 In addition to the Earmarked Fund for the Junior Research Fellowships funded by the University Grants Commission, Fellowships and Scholarships are also sponsored by various organizations. These are accounted in the same way as Sponsored Projects except that the expenditure generally is only on disbursement of Fellowships and Scholarships, which may include allowances for contingent expenditure by the Fellows and scholars. 11.3 The Institution itself also awards Fellowships and Scholarships, which are accounted as Academic expenses.

**12. Income Tax. - The income of the Institution is exempt from Income Tax under Section 10(23c) of the Income Tax Act. No provision for tax is therefore made in the accounts.**

## Schedule 24

### Contingent Liabilities and Notes to Accounts (Illustrative)

#### 1. Contingent Liabilities:

1.1As on 31.03. Court Cases filed against the Institution, by former/ present employees, tenants and contractors and arbitration cases with contractors, were pending for decisions. The suits filed by employees were establishment - related viz promotions, increments, pay scales, termination etc. The quantum of the claims is not ascertainable. The claim in the suits and arbitration cases by contractors amounted to Rs. Lakhs (Previous Year Rs Lakhs) '1.2Letters of credit established by the Bank on behalf of the Institution and outstanding on 31.03. - Rs..... (Previous year Rs. ).1.3Disputed demands in respect of Sales Tax Rs..... (Previous Year ..... ) Municipal Taxes Rs..... (Previous Year ..... )

**2. Capital Commitments. - The Value of contracts remaining to be executed on Capital Account and not provided for (Net of Advances) amounted to Rs. \_\_\_\_\_ as on 31.03 (Previous year Rs ..... Crores).**

#### 3. Fixed Assets:

3.1Additions in the year to Fixed Assets in Schedule" include Assets purchased Out of Plan Funds (Rs ..... , Non-Plan Funds (Rs ..... ), A. D Fund (Rs ..... ), Fund (Rs ..... ), Sponsored Projects (Rs ..... ) and Library Books and other assets of the value of Rs ..... gifted to the Institution. The Assets have been set up by credit to Capital Fund.3.2In the Balance Sheet-as on 31.3.... and the Balance Sheets of earlier years, Fixed Assets created out of Plan funds and Fixed Assets created out of non plan funds were not exhibited distinctly. The additions during the years from ..... , from plan, non-plan funds, and other funds, and the depreciation on those additions respectively have been exhibited distinctly in Sub Schedules A,B C and D to the main schedule of Fixed Assets(Schedule 4).3.3Fixed assets as set out in Schedule 4 do not include assets purchased out of funds of sponsored projects, held and used by the Institution, as project contracts include stipulations that all such assets purchased out of projects funds will remain the property of the sponsors.The details of such assets are:

Assets	Original Cost as on 1.4.Rs.	Additions during the yearRs.	TotalRs.	Notional Depreciation OpeningBalance	Notional Depreciation for the yearRs.	Total Notional Depreciation	Total Book value on 31.3Rs.
--------	-----------------------------	------------------------------	----------	--------------------------------------	---------------------------------------	-----------------------------	-----------------------------



Laboratory  
Equipment  
Computers  
Office  
equipment  
Furniture,  
Fixtures &  
Fittings  
Total

**4. Patents. - An accounting policy in respect of expenditure on Patents was evolved for the first time during The expenditure incurred on Patents granted during the years upto..... and the expenditure on the applications for Patents pending as on 31.03.... were set up in the accounts of , by credit to Capital Fund. The expenditure incurred in ....., has directly been debited to the head.**

**5. Deposit Liabilities. - The amount outstanding as Earnest Money Deposit & Security Deposits of Rs.--- - towards unclaimed deposits, prior to the Financial Year ..... was transferred to Revenue Account and accounted as Miscellaneous Income for the year .....**

**6. Expenditure in Foreign Currency:**

a. Travel -----b. Foreign Drafts for import of chemicals etc. -----c. Others.  
-----

**7. Current Assets, Loans, Advances and Deposits. - In the opinion of the Management, the current assets, Loans, Advances and Deposits have a value on realization in the ordinary course, equal at least to the aggregate amount shown in the Balance Sheet.**

**8. The details of balances in Saving Bank Accounts, Current Accounts and Fixed Deposit Accounts with Banks are enclosed as attachment 'A' to the Schedule of Current Assets.**

**9. Previous year's figures have been regrouped wherever necessary.**

**10. Figures in the Final accounts have been rounded off to the nearest rupee.**

**11. Schedules 1 to 24 are annexed to and form an integral part of the Balance Sheet at 31st March ..... and the Income & Expenditure account for the year ended on that date.**

**12. As the Provident Fund Accounts and the New Pension Scheme Account are owned by the members of those funds and not by the Institution, these accounts were separated from the Institution's Accounts from A Receipts & Payments Account, an Income & Expenditure Account (on Accrual basis) and a Balance Sheet of the Provident Fund Accounts as well as the New Pension Scheme for the year ..... have been attached, to the Institution's Accounts. A large portion of the New Pension Scheme funds (Rs.---- Crores) in respect of ----- employees who have been allotted PRA numbers has been transferred up to , to National Securities Depository Limited (N SDL) - Central Record keeping Agency (CRA). The balance held in New Pension Scheme in the Institution in respect of about ----- members will be transferred in ..... once the PRA numbers are allotted by the agency.**

Receipts and Payments Account Form of Financial Statements (Central Higher Educational Institutions) Name of Entity

Receipts

and Payments Account for the Period/ Year

Ended \_\_\_\_\_ Amount in Rupees

Receipts	Current Year	Previous Year	Payments	Current Year	Previous Year
Opening Balances			I. Expenses		
a) Cash			a) Establishment		
b) Bank Balance			b) Academic		
i. In Current accounts			c) Administrative		
ii. In deposit accounts			d) Transportation		
iii. Savings accounts			e) Repairs & Maintenance		
			f) Prior period expenses		
II. Grants Received			II. Payments		
a) From Government of India			against		
b) From State Government			Earmarked/		
c) From other sources (details)			Endowment Funds		
(Grants for capital & revenue exp/ to be Shown separately if					

available)

III. Academic Receipts

IV. Receipts against  
Earmarked/ Endowment  
Funds

V. Receipts against  
Sponsored Project/ Schemes

VI. Receipts against  
sponsored Fellowships and  
Scholarships

VII. Income on Investments  
from a) Earmarked/  
Endowment funds b)  
Other investments

VIII. Interest received on a)  
Bank Deposits b) Loans and  
Advances c) Savings Bank  
Accounts

IX. Investments encashed

X. Term Deposits with  
Scheduled Banks Encashed

XI. Other income (including  
Prior Period Income)

XII. Deposits and Advances

XIII. Miscellaneous  
Receipts including Statutory  
Receipts

XIV. Any Other Receipts

Total

GPF And NPS Accounts Provident Fund Account Balance Sheet as at March 31, 2015 Amount in Rupees

Amount Liabilities

GPF

Amount Amount Assets

Investment

Amount

III. Payments against  
Sponsored Projects/ Schemes

IV. Payment against  
Sponsored Fellowships/  
Scholarships

V. Investments and Deposits  
made a) Out of Earmarked/  
Endowment funds b) Out of  
own funds (Investments/  
Others)

VI. Term Deposits with  
Scheduled Banks

VII. Expenditure on Fixed  
Assets and Capital  
Works-in-Progress a) Fixed  
Assets b) Capital  
Works-in-Progress

VIII. Other Payments  
including statutory payments

IX. Refunds of Grants

X. Deposits and Advances

XI. Other Payments

XII. Closing balances a) Cash  
in hand b) Bank balances In  
Current Accounts In Savings  
Accounts In Deposit Accounts

Total

Opening Balance	Int. accrued as on 31/03/15
Less: Subscription for March 2014	Subscription Due for March, 2015:
Add: Subscriptions in the year	GPF
Add: Sub for March 2015	CPF
Add: Interest Credited	UC due to CPF
Less: Advance/ withdrawal	NPS-II
Closing Balance	Tax recovered from interest on Investments Pending refund from Income Tax Department
CPF	
Opening Balance	
Less: Sub. for March 2014	Cash at Bank
Add: Subscriptions in the year	SBI, Branch - I
Add: Sub for March 2015	SBI, Branch - II
Add: Interest Credited	Bank
Less: Advance/ withdrawal	
Closing Balance	
University Contribution (CPF)	
Opening Balance	
Less: Contribution for March 14	
Add: Subscriptions in the year	
Add: Contribution for March 15	
Add: Interest Credited	
Less: Advance/ withdrawal	
Closing Balance	
NPS Tier-II Account	
Opening Balance	
Less: Sub. for March 14	
Add: Subscriptions In the year	

Add: Sub for March 15  
 Add: Interest Credited  
 Less: Advance/ withdrawal  
 Closing Balance  
 Interest Reserve  
 Opening Balance  
 Add: Excess of Income over  
 Expenditure  
 Closing Balance  
 Total

Provident Fund Account Income and Expenditure Account for the Year Ended 31/03/14 Amount in Rupees

Amount 31/Mar/14	Expenditure	Amount 31/Mar/15	Amount 31/Mar/14	Income	Amount 31/Mar/15
				Interest earned on Investment Add: Interest accrued on 03/15 Add: Tax recovered on interest -Refund to be obtained Less Interest secured for March 14 Excess of Expenditure over Income	
	Interest Credited to: GPF Account CPF Account University Contribution (CPF) NPS Tier-II Account Excess of Income over Expenditure				
	Total			Total	

Provident Fund Account Receipts and Payments Accounts for the Financial Year 2014-15 Amount in Rupees

Receipts	Amount	Payments	Amount
Opening Balance as on 1/4/14 SBI, Branch-ISBI, Branch-IIBank GPF Subscription CPF Subscription CPF University Contribution NPS Tier-II Account Investment Encashed Interest Received		GPF Adv./ Withdrawal CPF Adv./ Withdrawal NPS Tier-II University Contribution Withdrawal Investment during the year Closing Balance:- SBI, Branch-ISBI, Branch-IIBank	

**1. The financial statements of non-profit and other similar organizations (viz., Balance Sheet and Income and Expenditure Account) shall be prepared on accrual basis; and shall be in the form suggested, or as near thereto as possible.**

**2. Normally, Central Educational Institutions cannot raise loans, particularly by pledging their Assets. The heads Secured Loans & unsecured Loans do not therefore find a place in the Balance Sheet. If however there is a rare case of an institution getting a World Bank Loan, a new head "unsecured loans" could be included on the Liabilities side of the Balance Sheet supported by a**

## **Schedule.**

**3. It is mandatory to follow the Accounting Standards applicable for Autonomous organizations and Higher Educational Institutions. Where any of the accounting policies is not in conformity with accounting standards, and the effect of departures from accounting standards is material, the particulars of the departure shall be disclosed, together with the reasons therefor and the financial effect thereof, except where such effect is not ascertainable.**

**4. A statement of all significant accounting policies adopted in the preparation of the Balance Sheet and the Income and Expenditure Account shall be included in the financial statements. The significant Accounting Policies should be disclosed at one place. Accounting Policies refer to the specific accounting principles and the method of applying those principles adopted by the Entity in the preparation of the financial Statements.**

Accounting policies shall be applied consistently from one financial year to the next. Any change in the accounting policies which has a material effect in the current period or which is reasonably expected to have a material effect in later periods, shall be disclosed in the Notes on Accounts. In case of a change in accounting policies which has a material effect in the current period, the amount by which any item in the financial statements is affected by Such change, shall also be disclosed to the extent ascertainable. Where such amount is not ascertainable, wholly or in part, the fact shall be disclosed.

**5. The accounting treatment and presentation in the Balance Sheet and the Income and Expenditure Account, of transactions and events shall be governed by their substance and not merely by the legal form.**

**6. In determining the accounting treatment and manner of disclosure of an item in the Balance Sheet and/or the Income and Expenditure Account, due consideration shall be given to the concept of materiality.**

If the information required to be given under any of the items or sub-items in this Form cannot be conveniently included in the Balance Sheet or the Income and Expenditure Account itself, as the case may be, it can be furnished in a separate Schedule or Schedules to be annexed to and forming part of the Balance Sheet or the Income and Expenditure account. This is recommended where items are numerous.

**7. The Schedules referred to above and the Schedules forming part of the Accounts (Significant Accounting Policies; Contingent liabilities and Notes on Accounts) should form an integral part of the financial statements.**

**8. The corresponding amounts for the immediately preceding year for all items shown in the Balance Sheet and the Income and Expenditure Account should also be given in the Balance Sheet or Income and Expenditure Account as the case may be.**

**9. Revenue shall not be recognized unless:**

a. The related performance has been achieved;b. No significant uncertainty exists regarding the amount of the consideration; andc. It is not unreasonable to expect realization and ultimate collection.

**10. Provision shall be made for all known liabilities and losses even though the amount cannot be determined with substantial accuracy (and the amount of provision represents only a best estimate in the light of available information).**

Provision means any amount written off or retained by way of providing for depreciation, renewals or diminution in value of assets, or retained by way of providing for any known liability, the amount of which cannot be determined with substantial accuracy.Provision shall be made for contingent loss, if:a) It is probable that future events will confirm that, after taking into account any related probable recovery, an asset has been impaired or a liability has been incurred at the balance sheet date, andb) A reasonable estimate of the amount of the resulting loss can be made.If either of the above conditions is not met, the existence of the contingent loss shall be disclosed by way of a note to the Income and Expenditure account, unless the possibility of the loss is remote.

**11.**

) Where any amount written off or retained by way of providing for depreciation, renewals or diminution in the value of assets or retained by way of providing for any known liability is in excess of the amount which is considered reasonably necessary for the purpose, the excess shall be treated as a reserve and not as a provision.

**12.**

) Separate disclosure shall be made in the Income and Expenditure Account in respect of:(a)"Prior period" items, which comprise material items of income or expenses which arise in the current period as a result of errors or omissions or non provision of Liability for outstanding expenses due



to adoption of Cut - off date for the purpose of closing the accounts, in the preparation of the financial statements of one or more prior periods. The concept of Prior Period Income and Prior Period expenditure applies only to Revenue items, and not to Asset/Liability Accounts. The latter are accounted in the year in which the corresponding transactions take place.(b)"Extra ordinary" items. which are material items of income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the entity and, therefore, are not expected to recur frequently or regularly.(c)Any item under the head "Miscellaneous Income" which exceeds 1 per cent of the total turnover/gross income of entity or Rs.50,000/-, whichever is higher. This shall be shown against an appropriate account head in the Income and Expenditure Account.(d)Any item under the head "Miscellaneous Expenses" which exceeds 1 per cent of the total turnover/ gross income of entity or Rs.50,000/- whichever is higher. This shall be shown as a separate and distinct item against an appropriate account head in the Income and Expenditure account.

### 13.

) A Receipts and Payments Account shall also be prepared by the Educational Institutions.

### 14.

) Disclosures as suggested in the formats are minimum requirements. An Educational Institute is encouraged to make additional disclosures.

### 15.

) The figures in the Balance Sheet and Income and Expenditure Account, if rounded off, shall be rounded off as below:

Amount of turnover (in Rs.)	Rounding off to (Rs.)
Less than One Lakh	Hundred
One lakh or more but less than one crore	Thousand
One crore or more but less than one hundred crore	Lakh
One hundred or more but less than one thousand crore	Crore

### 16.

) Reference may also be made to the enclosed Notes and Instructions for compilation in relation to the formats suggested.

### 17.

) Most Central Universities and Institutes of Higher education, manage the general Provident Fund and New Pension Scheme Funds. These are owned by the members and hence cannot be accounted as part of the Accounts of the Institutions. As these are managed by them along with their accounts,

it is necessary to prepare annually for these funds, a Balance Sheet, an Income and Expenditure Account (on accrual basis) and a Receipts and Payments Account and separately attach them to the accounts of the Institution, to show that they are managed in the best interests of the members. In respect of the New Pension Scheme, funds in respect of the employees who have been allotted PRA numbers, would have been transferred to the National Securities Depository Limited (NSDL) - Central Record Keeping Agency (CRA). In these cases, only the employers contribution along with the subscription recovered are transferred every month to NSDL. "The employers contribution is included in Schedule 15 - Establishment expenses - Retirement and Terminal Benefits" If there are any employees whose subscriptions and matching contributions have been retained and managed by the Institution pending allotment of PRA numbers, the annual Accounts of the New Pension Scheme (including interest credited) to be attached separately to the accounts of the Institution, will cover only such employees. The formats in which GPF, CPF and NPS Annual Accounts have to be Prepared, are attached. Notes and Instructions for the Schedules Balance Sheet

## 1 - Corpus/ Capital Fund

a) Corpus/Capital Fund is akin to Capital, Share Capital or owners' (promoters') Funds. b) Where an Institute has a separate Corpus Fund as an Earmarked Fund, the heading in the Balance Sheet and in this schedule should be changed as "Capital Fund", to avoid confusion. The name "Corpus Fund" under Earmarked Funds may appropriately be changed to indicate the nature of the Fund. c) Where there is no separate Corpus Fund, the head Corpus/ Capital Fund in the Balance Sheet as well as in the Schedule will continue. d) The other additions to the Capital Fund are: i) Grants from Government UGC to the extent utilized for capital expenditure. ii) Assets purchased out of Earmarked Funds. iii) Assets purchased out of sponsored project funds, where ownership vests in the Institution. iv) Assets Donated Gifted. v) Others, if any. When grants are received, Bank Account (Dr) and Grants Account (Cr) are affected. When capital expenditure is incurred from the grant funds, only the Bank Account (Cr) and Asset Accounts (Dr) are affected but the Grants Account itself is not affected. If therefore becomes necessary to bring down the balance in the Grants Account correspondingly. This is done by debiting Grants Account and crediting Capital Fund through a journal entry. In respect of items d(ii) and d(iii) above, when capital expenditure is incurred, the concerned Earmarked Fund/Sponsored Project is debited. The Assets account is not affected though the assets are physically present in the institution. As they are owned by the Institution, they have to be exhibited in the Balance Sheet by merging them with the Fixed Assets of the Institution. They are free as far as the institution is concerned and hence they are set up by debiting Assets and Crediting Capital Fund. In such organizations (unlike in companies where they are credited to a Capital Reserve), Capital Reserve has no particular significance or use, and hence the credit is given to Capital Fund. Item d(iv) is a gifted asset which is also owned by the Institution. It has therefore to be set up by debit to Asset account and Credit to Capital Fund, for the same reasons as stated above. e) Based on the cardinal principle that all profits and losses belong to owners, the excess of income over expenditure should be added to the Capital Fund and the excess of expenditure over income should be deducted from the Capital Fund. f) The opening Balance, Additions to and Deductions from, and the closing balance of the Capital Fund shall be shown in the Schedule.

## 2 - Designated/ Earmarked/ Endowment Funds

Characteristics of Earmarked Funds Designated/Earmarked Funds are funds set aside by the Educational Institution or provided by External Agencies for specific purposes. Where they are set aside by the institution, the Competent Authority (eg: Executive Committee/Governing Body/Concerned Governing Structure) lays down items of income which could be accounted under the Earmarked fund and the items of expenditure permissible to be met from the fund. They are normally long term, with Specific objects(s), accompanied by investments on the Assets side. Income from investments flows back to the fund. The expenditure on the object(s) both Revenue and capital are debited to the Fund and the balance is carried forward from year to year. The balance in each fund is represented on the Assets side by Bank balance, Investments, and Income accrued but not due. This should be shown in a table below the main schedule. It is desirable to have a separate Bank Account for each Earmarked Fund. Endowment Funds are also earmarked funds but are restrictive about the object and about the use of the Fund. Donors generally give Endowments for Medals, Prizes, Fellowships and Scholarships, specifying the subject for which the endowment is given and the criteria for awarding the Medal/ Prize/ Fellowship/ Scholarship. The other restriction is that the corpus of the endowment cannot be used for the expenditure on the Medal Prize/ Fellowship/ Scholarship and only the income from investment of the relevant fund can be used for the purpose. This necessitates separate individual investment in respect of each Endowment Fund. However, there would be no need to have a separate Bank Account for each Endowment fund, as the balances left in each fund after investment would be very small. The interest earned on one Savings Bank Account for all Endowment funds, could be apportioned to all the funds at the end of the year proportionately, based on the closing balances in each of the funds. In Educational Institutions, Endowments are also received for establishing Chairs in subjects as desired by the Donor. The Endowment covers the salaries, and contingencies of the professor to be appointed to the Chair and hence the corpus of the endowment can be used for expenditure (unlike in the case of medals etc where only the interest from investments could be used). As the number of endowments is usually very large, the last column in schedule 2, could be used for including the total figures against all the endowments, supported by sub - schedule 2A listing all the endowments individually, with full details. The following shall Not be reckoned as part of Earmarked Funds: a) Grants/ funds which have the characteristics of promoters' contribution and are of the nature of additions/ accretion to the Corpus/ Capital Fund. b) Funds/ grants received by the Entity to meet Deficit on Revenue Account (Revenue expenditure) and Plan grants. c) Funds received from sponsors of Projects/ Schemes. d) Funds received from sponsors of Fellowships and Scholarships. Items (c) and (d) above are not to be included in this Schedule, as they fulfill only one characteristic of Earmarked funds. They are for a specific object. They are for short periods, ranging from 1 to 3 years and are not accompanied by corresponding investments. Expenditure is also continuously incurred against Sponsored Projects and Sponsored Scholarships during the entire duration. Where Revolving funds have been created for House Building Advances, Conveyance and Computer Advances, they will not have any capital expenditure debited to the relevant Earmarked Fund. Any other fund created with a specific objective eg. Staff Welfare Fund, Pension Fund, could also be included in this schedule.

### 3 - Current Liabilities and Provisions

#### A. Current Liabilities

1. Acceptances
 

Included under this sub-head would be the drawer's assent on bills of exchange to the order of the drawer.
2. Sundry Creditors
 

The amount to be shown against this sub-head shall comprise amounts owed by the entity in favour of others on account of:

  - a) For Goods
 

goods purchased or services rendered or in respect of contractual obligations. These need to be segregated for goods and shown separately
  - b) Others
 

The liability against this sub-head shall comprise amounts received in respect of which goods or services have yet to be supplied/ rendered or for which value has yet to be given, and includes advance subscriptions.
3. Advances Received
4. Statutory Liabilities
 

These comprise liabilities in terms of the Central/ State laws governing the Entity; and includes unpaid liability for tax deducted at source under the Income Tax Act, 1961, statutory bonus, provident fund, ESI, interest to 881 Units on their over-dues, sales tax, excise, customs duty, and other statutory levies.

  - a) Overdue
 

Overdue liabilities of undisputed amounts are those that are due and remained unpaid during the normal due date/ stipulated period i.e. those that are in default.
  - b) Others
 

Those for which due date is not reached.
5. Other Current Liabilities
 

These would include amounts not covered by the other sub-heads. Any material amount included under this Book Overdraft sub-head may be separately shown indicating the nature thereof.

Overdrawn bank balance as per entity's books, where the entity does not have sanctioned limit/ overdraft facility shall be included under this sub-head, or separately disclosed as "Overdrawn bank balance in excess of book balance". In these cases normally there would be no overdrawal as per Bank's books. These cannot be netted against the balances in other Bank Accounts shown under Current Assets.

## Notes-General

- 1. A Current Liability is one which falls due for payment within a relatively short period, normally not more than 12 months.**
- 2. Where any item constitutes ten percent or more of the total current liabilities and provisions, the nature and amount of such item should be shown separately and should not be included under the head 'Others'**
- 3. Caution Money received from students - The amount of caution money refundable to students during 12 months from the Balance sheet date should be shown in the following manner:**

From current students      From ex-students

- 4. The receipts against sponsored projects, sponsored fellowships & scholarships and other funds in this schedule, should be supported by sub schedules to the above schedule.**

## B - Provisions

- |                                |   |
|--------------------------------|---|
| 1. For Taxation                | Provision needs to be made and retained based on the status of Tax matters as at the year-end   |
| 2. Gratuity                    | Provision for liability towards gratuity payable on death/retirement of employees needs to be accrued on actuarial basis, and provided up to the year-end. Actuarial valuation as on 31st March is to be obtained every year.   |
| 3. Superannuation/<br>Pension  | Provision for liability payable towards superannuation of employees needs to be accrued on actuarial basis, and provided up to the year-end. Actuarial valuation as on 31st March to be obtained every year, which will also cover Pensioners and Family Pensioners on the rolls. |
| 4. Accumulated<br>Leave        | Provision for liability towards accumulated leave encashment of employees, needs to be accrued on actuarial basis, and provided up to the year-end. Actuarial valuation as on 31st March to be obtained every year.   |
| 5. Trade Warranties/<br>Claims | Where the entity is manufacturing/ processing goods for sale, it may be liable to trade-warranty risks, which need to be provided for on a reasonable/rational basis.   |
| 6. Others                      | These need to be specified, and shall not include provision for doubtful debts/advances, which shall be reduced from the relevant asset heads.  |

## Notes-General

- 1. Provision is an amount written off or retained by way of providing for depreciation or diminution in the value of assets, or retained by way of providing for a known liability, the amount of which cannot be determined with substantial accuracy.**
- 2. If the calculation of the provisions has been done correctly, the closing balance of the Provisions for Pension, Gratuity and Leave Encashment in this schedule to the Balance Sheet will agree with the liability on the date as per actuarial valuation.**
- 3. The actual payments of Pension/Commutated Value of Pension, Family Pension, Gratuity and Leave encashment, are debited to the respective Provisions.**
- 4. As the provisions cover the whole year, and disclose the liability on 31st March of the year. the question of providing outstanding liability for unpaid retirement benefits, if any, in the annual accounts does not arise. A liability cannot again be shown for a liability which already exists in the form of a provision.**

Application of Funds

## **4 - Fixed Assets**

1. Land
  - a) Freehold Where immovable properties are purchased/ acquired by paying a composite cost (e.g. Land and Buildings) a reasonable/reliable estimate should be made of the land cost and shown separately.
  - b) Leasehold Leasehold land should be amortized over the period of lease unless the lease is in perpetuity
2. Buildings
  - a) On freehold land Buildings/ premises shall be those which are intended to be wholly/ partly used for the purposes of the activities of the Entity and would not include "Investment Properties".
  - b) On leasehold land As far as practicable, distinction may be made between factory and office buildings, Residential Buildings, Hostel Buildings etc. for purposes of provision for depreciation at different rates. Superstructures on leasehold lands should be depreciated to be co-terminus with the amortisation of land, unless the superstructures have shorter life.
  - c) Ownership Flats/ Freehold/ Leasehold to be disclosed.

Premises

d) Superstructures on Land Buildings shall include roads, bridges, and Culverts belonging to the Entity. Alternatively these could be included in a separate head.

3. Plant and Machinery:

Included under this Sub-head would be items like:

- Earth moving Machinery
- Boilers
- Furnaces
- Generators
- Dyes/ Mould
- Machinery used for specific industry/ services like Building contracts, in hospitals/ clinics, processing units, hydraulic works (including pipelines), Tool rooms.
- Other items used for manufacture/ processing etc.
- Separate Account heads should be maintained in the ledgers and kept reconciled with the Fixed Assets registers.
- Disclosure of information under the above sub-heads is encouraged.

4. Vehicles

Included under this sub head would be items like:

- Tractors/ Trailers
- Trucks, Jeeps and Vans
- Motor Cars
- Motor Cycles, Scooters, Three Wheelers and Mopeds
- Rickshaws

Separate Account heads should be maintained in the ledgers and kept reconciled with the Fixed Assets registers. Disclosure of information under the above sub-heads is encouraged.

5. Furniture, Fixtures

Included under this sub-head would be items like:

- a) Cabinets/ Almirahs/ Filing Racks
- b) Air conditioners/ Air conditioning Plant
- c) Air Coolers
- d) Water Coolers
- e) Tables/ Chairs/ Sofas/ Carpets
- f) Wooden partitions/ temporary structures
- g) Voltage Stabilisers, UPS Systems
- h) Other Items

Separate Account heads should be maintained in the ledgers and kept reconciled with the Fixed Assets registers. Disclosure of information under the above sub-heads is encouraged, for material amounts

6. Office Equipment

Included under this sub-head would be items like:

- a) Typewriters
  - b) Photocopies/ duplicators
  - c) Fax Machines

Separate Account heads should be maintained in the ledgers and kept reconciled with the Fixed Assets register. Disclosure of information under the above sub-heads is encouraged for material amounts.
7. Computer Peripherals

Computers, Printers and their peripherals like the Software etc. would be the items under this head. Software will be treated as an intangible asset.
8. Electric Installations

Included under the above sub-head would be items like:

  - a) Electrical Machinery
  - b) Electric Lights/ Fans
  - c) Switch gear instruments
  - d) Transformers
  - e) Electric Wiring and fittings

Separate Account heads should be maintained in respect of the above items and kept reconciled with the Fixed Assets registers. Disclosure of information under the above sub-heads is encouraged for material amounts.
9. Library Books and Scientific Journals

In some cases the number of Library Books could be very large or there may be an established Library. In such cases these books may be disclosed as a separate category of assets. Library books will include books/journals/information stored in CD ROMS. E-Journals will be treated as Intangible Assets.
10. Laboratory and Scientific Equipment
  - 1) NMR
  - 2) XRD
  - 3) ICPMS
  - 4) Particle size Analyzer
  - 5) Floor Standing Preparative ultracentrifuge
  - 6) Table Top GC MS
  - 7) Thermal Ionization Mass Spectrometer
  - 8) CD Spectrometer
  - 9) Tunable Amplified Femtosecond Laser System
  - 10) 24 Capillary genetic Analyzer



- 11) Stable Isotope Ratio Mass Spectrometer.
- 12) 100 Watt YB Fibre lase System
- 13) Inverted Research Microscope
- 14) Lexsyg Smart-Automated TL-OSL Reader
- 15) 4K Pulse Tube close cycle Cryostat

These are few representative names. The Institution may add or delete the names of the equipment according to their Accounting policy.

11. Tubewells & Water  
Supply System

Tube wells and Water supply Systems may be shown as a distinct category.

12. Capital  
Work-In-Progress

Fixed assets in the course of construction should be shown against this head till they are ready for their intended use. Plant machinery and equipment acquired and pending installation should also be included here. Those works in progress, (opening balance plus additions during the year) which get completed in the current year, are transferred to the respective Fixed Assets, by using the 3rd column in the Gross Block of the Schedule. As no depreciation is charged on works-in-progress, the net figure of works" in progress in the 4th column of the Gross Block, is shown as the Net Block for the current year. While computing the capital expenditure met out of grants during the year (for the purpose of crediting to Capital Fund) care should be taken to exclude from the additions during the year (column 2 of Gross Block) the work in progress transferred to the Asset Accounts during the year.

Notes - General

**1. Fixed Assets are those assets which are held with the intention of being used for the purpose of producing or providing services and not held for sale in the normal course of trade.**

**2. Under each sub-head should be shown:**

a) the cost or the valuation as at the beginning of the year  
b) additions during the year (both acquisitions and by way of grants)  
c) deductions (including sales, disposals, write-offs) during the year.  
d) The total cost/ valuation as at the year-end.  
e) Depreciation up to the previous year-end, Depreciation for the year and the total accumulated depreciation upto the year-end.  
f) The net block of the assets as at the year-end.

- 3. The accounting policy relating to accounting for fixed assets acquired (including by way of grants or at concessional rates), or constructed should be disclosed along with the method adopted for depreciation/amortisation.**
- 4. The cost of a Fixed Asset should be determined by adding to the purchase price any attributable costs of bringing it to its working condition for its intended use.**
- 5. Advance payments to contractors and suppliers should not be classified under the specific fixed assets or as Capital Work in Progress.**
- 6. The Accounting Policy should disclose the method of valuation of gifted / Donated Assets.**
- 7. Depreciation. - Depreciation shall be provided so as to charge the depreciable amount of a depreciable asset over its useful life. Depreciation is a measure of the wearing out, consumption or other loss of value of a depreciable asset arising from use, effluxion of time or obsolescence through technology and market changes. It includes amortisation of assets the useful life of which is determined, and depletion of wasting assets.**

For this purpose: a) Depreciable asset means an asset which-i. Is expected to be used during more than one accounting period, and ii. Has limited useful life; and iii. Is held by the entity for use in the production or supply of goods and services, for rental to others, or for administrative purpose and not for the purpose of sale in the ordinary course of its business/operating activities. b) Depreciable amount of a depreciable asset means its original cost, or other amount substituted for original cost in the financial statements less the residual value; c) Useful life means either-i) the period over which a depreciable asset is expected to be used by the Entity, or ii) the number of production or similar units expected to be obtained from the use of the asset by the Entity.

- 8. No Depreciation is provided on Freehold Land.**
- 9. In the year in which an asset is sold/ condemned as scrap and written off, the book value of the asset gets reduced/ written off. It is necessary to simultaneously remove from the Fixed Assets Schedule, the corresponding original cost of the asset and the depreciation provided up to that year. This is done through entries in the 3rd column of the Gross Block and 3rd column of the Depreciation Block (proforma entries).**

**10. The classification of Assets as indicated above, could be changed, if a different classification has already been followed by the Institution. For e.g. Air conditioners, Air coolers, Water coolers, Voltage stabilizers could be classified as Electrical Equipment, while Air conditioning Plant may be classified under Plant and Machinery.**

## **5 - Investments - From Designated/ Earmarked/ Endowment Funds**

1. Government Securities	Includes Central and State Government securities and Government Treasury Bills. These securities should be shown at cost/ book value. However, the difference between such value and market value should be given in the notes to the Balance Sheet.
2. Other approved Securities	Securities other than Government Securities, treated as approved securities (such as Trustee securities), should be included here.
3. Debentures and Bonds	Investment in debentures and bonds of RBI, Companies and Corporations should be disclosed here.
4. Others (to be specified)	Includes residual investments, if any, like Commercial paper  Investments (to be specified) in Mutual Funds and other instruments not being in the nature of debentures/ bonds. Term Deposits in Banks, if any, would also be included here.

### **5. General :**

#### **1.**

) Investments held against Earmarked/ Endowment funds need to be disclosed in this schedule. A Fund wise sub schedule should be included below the main schedule. This will enable a comparison of the balance in the particular fund and the corresponding investment against that fund.

#### **2.**

) As an exception to the nature of investments mentioned in this Schedule, Term Deposits in Banks may be included under the head "others", to facilitate comparison of the balances in the earmarked funds and the corresponding investments.

### **3.**

) a) The investments shall be classified and disclosed under long term investments and current investments. b) 'Current Investment' means an investment that is by its nature readily realisable and is intended to be held for not more than one year from the date on which such investment is made. Such investments should be shown at the lower of cost or fair value which should be determined on individual investment basis or by category of investment. c) 'Long-term investment' means an investment other than a current investment. Long-term investments should be measured at cost. The book value of long-term investments should be reduced to recognise a decline/ diminution, other than temporary, in their value. Such reduction should be determined and made for each investment individually. d) Investments shall further be sub-classified as investments from earmarked/ endowment funds, and "other investments" in each case and disclosed accordingly. e) Aggregate amount of the educational institution's long-term quoted investments and also the market value thereof should be shown. Aggregate amount of the educational institution's unquoted investments should also be shown. f) 'Quoted investment' for this purpose, means an investment in respect of which a quotation or permission to deal on a recognized stock exchange has been granted, and the expression 'unquoted investment' should be construed accordingly. g) The significant restrictions on the right of ownership, reliability of investment shall be disclosed by way of notes.

**4. Investment in properties, if held, shall be shown at cost less depreciation in the same manner as in the case of fixed assets.**

**5. The Accounting Policy should disclose in relation to investments, their cost, depreciation and carrying value-both for long term & current investments.**

**6. Any premium paid on acquisition of permanent investments shall be amortized on a time proportion basis upto the date of their maturity. Discount on acquisition shall not be amortized.**

**7. Matured investments, not realized may be separately disclosed.**

**8. Where Term Deposits in Banks on maturity, are reinvested along with interest allowed by the Bank, care should be taken to make two entries on the Receipts side of the Bank Book viz**

a. Term Deposits encashed b. Interest on Term Deposits On the payment side the reinvested amount will appear as investment in Term Deposits.

## 6 - Investment - Others

1. Government Securities  
Includes Central and State Government securities and Government Treasury Bills.  
These securities should be shown at cost/book value.  
However, the difference between such value and market value should be given in the notes to the Balance Sheet.
2. Other approved Securities  
Securities other than Government Securities, treated as approved securities (such as Trustee-securities), should be included here.
3. Debentures and Bonds  
Investment in debentures and bonds of RBI, Companies and Corporations should be disclosed here.  
Includes residual investments, if any, like Commercial' paper, investments (to be specified) in Mutual Funds and other instruments not being in the nature of debentures/bonds. Investment in properties, if any, would also be included here.
4. Others

General: This head will include the investments of surplus funds, but not Term Deposits in Banks, which will be included under Current Assets.

## 7 - Current Assets.

1. Inventories:  
Inventories comprise tangible property including maintenance supplies and consumables, and spares for equipment  
Include items held in the normal course or in the form of material or supplies to be consumed like chemicals, glass ware, laboratory consumables, Building materials, electrical materials, stationery, cleaning material, water supply material, publications held for sale etc,  
a) Stores and Spares  
b) Inventories
2. Sundry Debtors:  
Debtors comprise persons from whom amounts are due for goods sold or services rendered or in respect of contractual obligations.  
a) Debts Outstanding for a period exceeding six months  
b) Others
3. Cash balances in hand: (including cheques/ drafts, postage stamps and imprest)
4. Bank Balance  
Amounts held as bank balances against earmarked/ endowment funds should be separately disclosed.

a) With Scheduled Bank:

- On Current Accounts Overdue/ Matured Deposits should be separately disclosed.
- On Deposit Accounts (includes margin money)
- On Savings Accounts

b) With Non-Scheduled Banks

- On Current Accounts
- On Deposit Accounts
- On Savings Accounts

5. Post Office - Savings Accounts:

Notes. 1. Basis of valuation of inventories should be disclosed in the Accounting Policies.

**2. Debts considered good for recovery and those considered doubtful shall be shown separately. Provision for Doubtful debts, if made, should be shown as a reduction from the amount of debts considered doubtful.**

**3. Where any deposit accounts are pledged or charged as security or are encumbered, the fact should be disclosed**

**4. Margin Moneys are represented by Term Deposits with the Bank in the name of the institution. They are taken by Banks as, a matter of safeguard to ensure recovery from the Institution on whose behalf a Bank Guarantee was issued or a Letter of Credit was established. The Law in respect of Bank Guarantees and Letters of Credit is that the Bank which issued the Bank Guarantee or established the Letter of Credit has to pay the beneficiary when the Bank Guarantee is invoked or the Letter of Credit is operated by the Supplier, irrespective of whether it is able to recover the value or not, from the Institution on whose behalf it was issued or established. The percentage of margin money may vary depending on the confidence the Bank has, about the financial position of the Institution.**

## **8 - Loans, Advances and Deposits**

1. Loans:

Loans and Advances as are considered good & recoverables should be disclosed. Doubtful amounts, if any, should be stated under each sub-head, and provision, if made, should be shown as a reduction there from.

a) Staff

Interest accrued on interest bearing staff loans should be accounted notwithstanding that actual recoveries of interest

might commence after repayment of principal.

b) Other Entities engaged in activities/ objectives be included here. Irrevocable grants/ subsidies/ donation to such entities, shall not be included here.

c) Other (specify)

2. Advances and other amounts recoverable in Cash or in kind or for value to be received:

a) On Capital Account

Advances to suppliers/ contractors for capital works should be shown against this sub-head.

b) Prepayments

This includes prepaid expenses.

c) Others

This would comprise receivables other than the debtors.

3. Income Accrued: Both 'Income accrued and due' and 'Income accrued but not due' up to the year-end should be included under this head.

a) On investments from Earmarked/ endowment funds }

Income on Investments from Earmarked/ Endowment Funds and that on Other Investments

b) On Investments - Others should be shown separately

c) On Loans and Advances

If uncertainty attaches to realization or ultimate collection, Income (includes income due unrealized) should not be recognized and if recognized, should be provided for. Dividends should be recognized based on the date(s) of their declaration. Separated disclosure should be made in respect of income accrued but not realized.

d) Others

4. Claims receivable Only claims, which are considered good and realizable should be included.

5. Deposits (other than with Bank) For Telephone, electricity, water supply, rentals

6. Others specify

Note. - Advances to employees for House Building, purchase of vehicles and computers will be included in this Schedule, unless Revolving funds (Earmarked) have been established and are included in Schedule 2. Notes and Instructions for Compilation of Financial Statements of Central Educational Institutions Income and Expenditure Account

- 1. The Income and Expenditure Account should disclose every material feature and should be so made out as to clearly disclose the result of the working of the educational institution during the period covered by the account.**
- 2. Donations and grants should be recognised only at a stage when there is a reasonable assurance that the educational institution will comply with the conditions attached, if any, and the donations and grants will be received.**
- 3. Any item under which income/ expense exceeds 1% of the total fee receipts of the educational institution or Rs. 50,000/- whichever is higher should be shown as a separate and distinct item against an appropriate account head in the Income and Expenditure Account. These items, therefore should not be shown under the head miscellaneous and other income/ expense.**
- 4. Depreciation should be provided so as to charge the depreciable amount of a depreciable asset over its useful life.**
- 5. Prior Period Income and Prior Period expenditure should be part of the Income and Expenditure Account, as they disclose the extent to which, the results of working for the period covered by the Income and Expenditure Account have been affected, by the items which do not pertain to the current period but to earlier period(s) and have occurred in the current period; Also where no income has been accrued or no outstanding liability for expenses has been provided in respect of such items in the previous year (s).**
- 6. The details of hostel running expenses should be disclosed separately in the notes to the Income and Expenditure Account.**
- 7. An educational institution shall disclose the following additional information by way of notes:**
  - a. Disclosure in respect of expenditure incurred on objects of the educational institution,
  - b. Details of the services rendered by volunteers for which no payment has been made.
  - c. Details of items of exceptional and extraordinary nature



## 9 - Academic Receipts:

### Income

- 1) Entrance Fees      Accounting policies on each item will have to be disclosed.
- 2) Annual Fees/  
Subscriptions      In case Fees like Entrance Fee, Subscriptions etc. are in the nature of capital receipts, such amount should go to the Corpus/Capital Fund. Otherwise such fees will be incorporated in this Schedule.
- 3) Seminar/  
Program Fees
- 4) Consultancy Fees      In case the major activities of the Entity is to provide consultancy services, Such income should form part of Schedule 13 (Other Income)
- 5) Others (Specify)      The gross receipts should be shown here, Expenditure incurred on consultancy etc. should be shown as "Administrative and General Expenses" in Schedule 17.

## 10 - Grants and Donations:

### (Irrevocable Grants & Donations Received)

- 1) Central Government      Grants or other similar assistance received for the general purpose and objectives of the Entity, on an irrevocable basis, or to cover expenditure incurred in prior periods, shall be included in this schedule.
- 2) State Government(s)      These grants etc. are without any conditions attached as to their utilization and are of the nature of non-refundable amounts which are to be appropriated to income.
- 3) Government Agencies

### 4.

) Central Educational Institutions-generally get grants under Plan and Non Plan heads. The grants under Plan may be general and/or for specific schemes (e.g. construction of Science Centre; Auditorium etc). Plan grants may be for Capital as well as Revenue expenditure. Non a Plan grants are generally for meeting the deficit on Revenue Account, based on the Annual Budget of the Institution in which the estimated Revenue expenditure, as well as the estimated Internal Generation of Resources are Projected. The Non-Plan grant takes into account both the Revenue expenditure and internal generation of resources projected in the Budget and the deficit. In such institutions the internal generation of Resources is far less than the revenue expenditure. This is the reason why the term grants/subsidies is used, as the grant subsidizes the deficit. Educational Institutions where the Internal generation of Resources is more than the estimated Revenue expenditure, do not get Non - Plan grants.

**5.**

) The Schedule includes a detailed disclosure of the opening balances (Plan and Non Plan separately), the receipts during the year, refunds, if any, the amounts utilized for capital expenditure, the amounts utilized for Revenue expenditure and the unutilized balances at the end of the year.

**6.**

) While finalizing the accounts of the financial year;a) A three way agreement of capital expenditure met out of grants between the figure in the Capital Fund, the figure in the Grants Schedule and the figure in the Fixed Assets schedule (Additions during the year pertaining to assets acquired out of grant funds), should be ensured. The Capital expenditure during the year will include the net capital works in progress (i.e., Additions during the year minus completed Capital Works in Progress transferred to assets during the year)b) The Revenue expenditure met out of non plan grants should be calculated as follows:

Expenditure as per Expenditure schedules (Non-Plan column) of the Income and Expenditure Account	XXX
Less: Provision made in the year for retirement benefits	(XXX)
Add: Actual payments made in the year for retirement benefits	XXX

Revenue expenditure met out of non-plan grants.

(The total of the expenditure side in the Income and Expenditure Account can also be used for the above deductions and addition, but there will be another deduction in that case, representing Depreciation in respect of which also there is no cash outgo). Generally, the Revenue expenditure as calculated above will be more than the non Plan grants available after meeting capital expenditure. If so, that balance itself should be shown as the Revenue expenditure utilized from Non plan grants, resulting in unutilized non plan grants as nil. The presumption in such cases is that the excess expenditure over non plan grants is met out of Internally generated resources. If however, grants for the next year have been received in the current year as Advance grants, it has to be ensured that such advance grants are carried forward and shown as unutilized grants in the grants Schedule. To this extent, the non plan grants available after meeting capital expenditure will include the advance grants; Hence for comparison of grants available and actual Revenue expenditure, the grants available as reduced by Advance grants should be considered. In a note below the grants schedule, it should be disclosed that the unutilized non-plan grants represent Advance grant for the next year.

**7. Normally, the figure of grants received as per the Receipts and Payments Account should agree with the figure of Receipts in the Grants Schedule (Sch 10). If however sanctions dated on or before 31<sup>st</sup> March, have been received by the Institution, against which the amount is actually received in the first week of April, they are accounted on accrual basis in the year in which sanctions have been issued, by debiting Grants Receivable (shown**

**under "Loans Advances and Deposits") and crediting "Grant Account". In such a case there will be a difference in the figures of grants received, between the figure as per Receipts and Payments Account and the figure in the Grants Schedule, equal to the Grants Accrued.**

## **11 - Income From Investments:**

### **1. Interest**

Income from Investments shall be disclosed at gross figures and tax deducted at source is to be stated separately.

#### **a) On Govt. Securities**

Interest on Govt. Securities shall comprise

a) Interest earned at coupon rate upto the last applicable date of interest, i.e. interest accrued & due; and

b) Interest accrued thereafter upto the year-end at the coupon rate i.e., Interest accrued but not due

#### **b) Other Bonds/ Debentures**

Income on bonds and debentures would include discount accrued upto the year-end on bonds issued at a discount, to be redeemed at par or on premium, based on the terms of their issue.

### **2. Dividends:**

Dividends shall be accrued, based on the dates of declaration thereof i.e. when the entity has a right to receive the same.

#### **a) On Shares**

#### **b) On Mutual Funds**

### **3. Rents**

Rents shall be shown as income on Investment on properties, if any.

Interest claimed on overdue/ matured investments shall not be recognized unless preconditions for such recognition are satisfied.

### **4. Others (Specify)**

### **5. Distinction should be made in respect of income on Investments:**

a) Owned by the Entity; (this will appear in the Income and Expenditure

Account)

b) those held against earmarked/ endowment funds. At the year-end, total of the income on investment from Earmarked/Endowment funds should be transferred to the Funds through schedule 2.

6. The Schedule is in two parts - the first discloses the income from Earmarked/ Endowment Investments showing it as transferred to Earmarked/ Endowment Funds, leaving no balance. The second part deals with Income on Investments - others, the total of which appears in the Income and Expenditure Account as Income from Investments.

While finalizing the Annual Accounts it should be ensured that the total of the First part A agrees with the horizontal total against income from Investments plus Accrued interest on investments plus interest on Savings Bank Accounts, in Schedule 2- Earmarked/ Endowment Funds.

## 12 - Interest Earned:

### 1. On Term Deposits:

a) With Scheduled Banks  
b) With Non-Scheduled Banks  
c) With Institutions  
d) Others

### 2. On Savings Accounts:

a) With Scheduled bank  
b) With Non-Scheduled Bank  
c) Post Office Savings Accounts  
d) Others

### 3. On Loans;

a) Employees/Staff

b) Others

### 4. Interest on Debtors & Other Receivables

1. Interest income earned should be shown at gross figures and tax deducted at source is to be stated separately as Receivables, in the Balance Sheet, where the Income of the Institution is exempt from Income Tax.

2. Distinction should be made in respect of income;

a) On the Accounts owned by the Entity; and  
b) those held against earmarked/ endowment funds; to be transferred to Earmarked/ Endowment funds.

(where no revolving Funds have been set up for Interest bearing advances for House Building, conveyance and computers)

## 13 - Other Income

- (1) Income from Services: Income must be shown at gross figures and Tax Deducted at Source should be indicated separately.
- (2) Professional/ Consultancy: Gross Consultancy charges and fee for rendition of professional Services: services by the entity should be included under this sub head. Tax deducted at source should be indicated separately as Receivables in the Balance Sheet where the institution's income is exempt from Income Tax.
- (3) Income from Royalty: Accounting policies on each item will have to be disclosed.
- (4) Income from Publications: In case the major activities of the Entity are to publish books, journals, documents etc., such income should be shown from part of Schedule 13. The gross receipts should be shown here. Expenditure incurred on publication etc. should be shown as other administrative expenses' in schedule 17.
- (5) Profit on sale of Assets  
 a) Owned assets  
 b) Assets acquired out of Grants  
 Grants/ Donations from Institutions, welfare bodies, and International organizations (gross receipts) should be classified under this sub head, with details of the source and amounts received. If
- (6) grants/ subsidies are given in turn by the Institution to other organizations out of these receipts on irrevocable basis, the expenditure should be exhibited in Schedule 21 - Other expenses.
- (7) Others (specify)
- Note: In case the major activity of the Institution is to Publish Books, Journals, documents etc, then income from Royalty and Sale of Publications should be shown in a separate schedule of the Income and Expenditure Account in which a

separate head "Royalty and Publications" may be added.

## 14 - Prior Period Income

Items of Prior Period Income are those items against which incomes do not pertain to the current year but pertain to the previous year (s) and have occurred during the Current year; Also where no income has been treated as accrued in the previous year(s). Such items may occur in respect of all the Income heads in the Income and Expenditure Account. The amounts of Prior Period Income against each Income head should be disclosed in this schedule - the total agreeing with the figure against the head 'Prior Period Income' in the Income and Expenditure Account.

## 15 - Staff Payments & Benefits (Establishment Expenses):

- |  |   |
|--|---|
| a) Salaries and Wages                    | The gross expenditure against each head including in respect of staff on deputation should be disclosed.  |
| b) Allowances and Bonus                  |   |
| c) Contribution to Provident Fund        |   |
| d) Contribution to Other Funds (specify) | Statutory obligations of the Entity towards Provident fund, New Pension Scheme, Employees' state insurance, retirement benefits etc. should be disclosed clearly and item-wise. |
| e) Staff Welfare Expenses                |   |
| Expenses on Employees'                   |   |
| f) Retirement and Terminal Benefits      |   |
| g) Others (specify)                      |   |

Notes - General

**1. Sub Schedule ISA is to be used to disclose the calculation of the provision to be made in the accounts of the year towards, gratuity, pension and leave encashment. Only the provision made in the year will be included here (and not the actual payments of Pension, commuted value of Pension, Gratuity and Leave Encashment made during the year which are debited to the Provisions)**

**2. While finalizing the Annual Accounts it should be ensured that the total of Provisions to be made for the year and other retirement Benefits in Schedule 15A, agrees with the amount shown against 'Retirement and Terminal Benefits' in Schedule 15.**

**3. In case of recoveries like fines, penalties etc. the same should not be deducted from the expense heads but included under 'Other Income' in the Schedule 13.**

Prior period items. - Prior period and Extraordinary Items shall be separately disclosed under the head 'Prior Period expenses' so that the effect thereof on the net Expenditure for the year is known.

## **16 Academic Expenses**

Academic Expenses:

This Schedule includes

All academic expenses like laboratory Running expenses e.g.all chemical or other consumable/ materials (other than equipmenttools & appliances) necessary for conducting experiments andrunning the Laboratories for practical work.

All Expenses on field studies

All Expenses on Visiting faculty

All Expenses on seminars/ Workshops/ convocations.

All Expenses relating to admission of New batches of Students.'

All Expenses pertaining to examinations.

All Expenses on stipends/ merit-cum-scholarships to students.

All Expenses en publicity (admission related &scholarships)

Periodicals.

All Expenses related to students welfare.

Research activities

## **17 - Administrative & General Expenses**

A InfrastructureI) Rent, Rates & TaxesII) Electricity ExpensesIII) Water ChargesIV) Security ExpensesV) InsuranceVI) Generator Running ExpensesB CommunicationI) Postage & TelegramII) Telephones & FaxIII) Internet Connectivity ChargesIV)C Subscriptions to Academic InstitutionsD TA to Members of Advisory Committees, etc.E Advertisement and PublicityF Legal ExpensesG OthersI) Printing and stationery (consumption)II) Newspapers & periodicalsIII) Entertainment ExpensesIV) Bank chargesV) TA to CandidatesVI) Labour Charges, Daily Wages & Contract LabourVII) Traveling and Local ConveyanceVIII) Conservancy ExpensesIX) LiveriesX) Photocopying ChargesXI) Contribution to VC Discretionary Fund, etc.XII) Other Miscellaneous Administrative ExpensesXIII) Auditors' RemunerationXIV) Professional chargesXV) Provision for Bad & Doubtful Debts/ AdvancesXVI) Irrecoverable balances written offXVII) OthersNotes. - In case of recoveries e.g. rent recoveries, freight charges recovered, fines, penalties, liquidated damages from suppliers etc., the amount of such recoveries should not be deducted from the expense heads but included under "Schedule 13 - "other Income".

## 18 Transport Expenses

Transportation Expenses will include all expenses on: All Vehicles (owned by the institution) - Running expenses like cost of petrol, diesel, repair and maintenance of vehicles. All hiring charges of vehicles from service providers on regular or temporary basis. Any other expenses in maintaining vehicles owned by the institution (e.g. Insurance) All expenses for ferrying of Guest/ dignitaries for attending various meetings/ seminars/ workshops/ convocation etc

## 19 Repairs & Maintenance

The repair and maintenance costs will include: All expenses like whitewashing of rooms in the office buildings, academic buildings\hostels\residences. All petty repairs in the maintenance of office, residence, academic buildings and hostels. All expenses on maintenance of furniture & fixtures. All repair and annual maintenance expenses on plant and equipment. All repair and annual maintenance of computers, communication equipment and other office equipment. All annual maintenance of electrical plants and equipment. All annual maintenance contracts for maintaining Laboratory and scientific equipment. All expenses on cleaning services. Expenses on any other annual maintenance contract (specify). Gardening Estate Maintenance. Book Binding charges.

## 20 Finance Cost

Finance Cost Includes all interest on Loans, borrowings & Bank Charges. Note. - Central Educational Institutions may not have any loan portfolio, as they are not permitted to borrow money from financial institutions. In such cases Bank charges, which are not material, should be included under Administrative expenses, by deleting this schedule and the head in the Income and Expenditure Account.

## 21 - Other Expenses

This Schedule will include:

a) Grants given to Institutions/  
Organizations

Grants, Subsidies or other similar assistance given to the Institutions/ organizations for general purposes and objectives of the Entity, on an irrevocable basis, shall be included in this Schedule.

These grants etc. are with or without any conditions attached as to their utilization and are of the nature of non-refundable amounts which are to be appropriated as expenditure.

The gross receipts shown against each sub-head in schedule 13, could be the sources of these grants that are given, in turn, to other institutions/ organizations on irrevocable basis.

The gross expenditure against each head should be disclosed.



Note.- Names of the Institutions/  
organizations, their activities along with  
the amounts in each case should  
be disclosed.

b) Any others (specify)

## **22 - Prior Period Expenses**

Items of Prior Period Expenditure are those items against which expenditure does not pertain to the current year but pertains to the previous year (s) and have occurred during the current year, and also against which no outstanding liability for expenses has been provided in the previous year(s). Prior Period expenses against each of the expenditure heads in the Income and Expenditure Account should be disclosed in this schedule - the total agreeing with figure against the head 'Prior Period Expenses' in the Income and Expenditure Account. Notes and Instructions for Compilation of Financial Statements of Central Educational Institutions

## **Forming Part of Accounts**

## **23 - Accounting Policies**

**1. Educational institutions should disclose their significant accounting policies and this disclosure should be made at one place. An illustrative list of accounting policies that an educational institution could disclose is given below**

a) The basis of preparation of Accounts (Historical cost Convention and Accrual system) b) Revenue Recognition (specifically stating the items which are recognized on cash basis) c) Accounting for income from and expenditure on specialized activities such as Research d) Conversion or translation of foreign currency (in case of organizations receiving foreign funds/ Incurring expenditure in Foreign Exchange on imports). e) Method(s) of depreciation f) Valuation of inventories g) Valuation of investments h) Treatment of employee benefits i) Valuation of fixed assets j) Treatment of contingent liabilities k) Expenditure during construction l) Assets of small value m) Accounting treatment of leasehold land n) Accounting of Earmarked funds and Endowment Funds with a brief description of each fund. o) Amortization of wasting assets p) Accounting treatment of Plan-on-plan Grants received from Govt. q) Accounting treatment of sponsored Projects/ Schemes/ Programmes (Receipts and expenditure) and income from such schemes (Overhead recoveries, institutional charges/ project management fees etc) r) Accounting treatment of Assets acquired out of sponsored project funds and earmarked Funds s) Accounting treatment of Fellowships and Scholarship t) Classification and treatment of Deferred Revenue Expenditure u) Treatment of Assets acquired by the Grantee institutions out of grants given to them by the institutions (if applicable). v) Taxation Status

## 2. In respect of funds, educational institutions should disclose the following in the schedules/notes to accounts:

a) In respect of each major fund, opening balance, additions during the period, deductions/utilization during the period and balance at the end;b) Assets, such as investments, and liabilities belonging to each fund separately;c) Restrictions, if any, on the utilization of each fund balance;d) Restrictions, if any, on the utilization of specific fixed assets.

## 24 - Contingent Liabilities and Notes on Accounts:

Items to be covered in this Schedule are listed below:A. Contingent Liabilities

1. Claim against the Entity not acknowledged as debts \_\_\_\_\_
2. Guarantees and Letters of credit outstanding Liability towards Guarantees given by the entity or by Bankson its behalf and Letters of Credit outstanding as at theyear-end are required to be disclosed.  
Which the entity is contingently liable Included here would bedisputed statutory and other demands/ claims, Bills rediscounted,and other items for which the entity is contingently liable suchas suits filed, Arbitration cases pending.
3. Other items for

### B. Notes on Accounts

1. Commitments on capital Account not provided for This would arise in terms of contracts/ arrangements in termsof which amounts would have to be paid for acquisitions/construction of assets as and when they take place. The amount,net of advances is required to be disclosed.

## 2. Educational institutions should host following information in public domain so as to enable all other stakeholders to have a bird's eye View of educational institution's capacity and capability:

(i)No. of students(ii)Number of teachers(iii)Collection on account of building fund and expenditure thereof(iv)Collection for sports activities and expenditure thereof(v)Collection for co-curricular activities and expenditure thereof(vi)Collection on account of development charges and expenditure thereon(vii)Collection for medical expenses and expenditure thereon(viii)Compliance with statutory dues like EPF and E81(ix)Salary structure of teachersThe above information can also be calculated on per student basis.

## 3. Related Party Disclosures. - Accounting Standard (AS) 18, 'Related Party Disclosures', issued by the Institute of Chartered Accountants of India, requires disclosures to be made in respect of related party transactions.

**Keeping in View the involvement of public funds. in the context of an educational institution, the following disclosures should be made in a note to the financial statements of the educational institution:**

(i) Transactions between the educational institution and the trust or society managing the educational institution. (ii) Transactions between the educational institution and the trustees or the members of the governing body of the educational institution. (iii) Transactions between the educational institution and the author of the trust or the founder of the institution. (iv) Transactions between the educational institution with another educational institution or any other educational entity managed by the same trust or society, if permitted by the relevant legislation/bye-laws etc. (v) Transactions between the educational institution and the relatives of the trustees, or members of the governing body managing the educational institution or the author of the trust or the founder of the institution. For this purpose, a relative, in the context of an individual, means "the spouse, son, daughter, brother, sister, father and mother who may be expected to influence, or influenced by, that individual in his/her dealing with the educational institution". (vi) Transactions between the educational institution and its 'key management personnel' or the relatives of the key management personnel. Key management personnel would represent those persons in the educational institution who have the authority and responsibility for planning, directing and controlling the activities of the educational institution. In case of an educational institution, an example of key management personnel is the Principal/Vice Chancellor. If there have been transactions between related parties, during the existence of a related party relationship, the educational institution should disclose the following: (i) the name of the transacting related party; (ii) a description of the nature of transactions; (iii) volume of the transactions; either as an amount or as an appropriate proportion; (iv) the amounts or appropriate proportions or outstanding items pertaining to related parties at the Balance Sheet date and provisions for doubtful debts due from such parties at that date; and (v) amounts written off or written back in the period in respect of debts due from or to related parties. The following are examples of the related party transactions in respect of which disclosures may be made by an educational institution: Purchases or sales of fixed assets; rendering or receiving of services; Leasing or Hire purchase arrangements; Items of a similar nature may be disclosed in aggregate by type of related party except when separate disclosure is necessary for an understanding of the effects of related party transactions on the financial statements of the educational institution. Disclosure of details of particular transactions with individual related parties would frequently be too voluminous to be easily understood. Accordingly, items of a similar nature may be disclosed in aggregate by type of related party. However, this is not done in such a way as to obscure the importance of significant transactions, e.g., purchases or sales of books are not aggregated with purchases or sales of fixed assets. Nor a material related party transaction with an individual party is clubbed in an aggregated disclosure. Notes and Instructions for Compilation of Financial Statements of Central Educational Institutions Receipts and Payments Account At the time of finalization of the Accounts for the year, the following should be ensured.

**1. The figure of Receipts of Grants during the year in Schedule 10 - Grants/ Subsidies agrees with the figure of Receipts of Grants in the Receipts and Payments Account. If the Grants Schedule shows a higher figure, it should**

**represent the amount shown as Grants Receivable under Schedule 8, Loans, Advances and Deposits, accounted on accrual basis in respect of sanctions dated 31st March or earlier, against which the amounts have been received in April of next year.**

**2. The opening Cash and Bank balances agrees with the previous year's figures of closing balances in the Receipts and Payments Account as well as the previous year's figure under Current Assets in Schedule 7.**

**3. The current year's Cash and Bank Balances under Schedule 7, "Current Assets", agrees with the closing Cash and Bank balances in the Receipts and Payments Account for the current year.**