

**INDIAN COUNCIL OF AGRICULTURAL RESEARCH
KRISHI BHAVAN NEW DELHI**

Fin. No. 1-1/2024-Accts. -II

Dated: - 26th April, 2024.

To

The Directors/Project Directors of All Research Institutes/Directorates/
Bureaus/NRCs/ATARIs/NASF/DKMA/NAHEP/F&A Unit

Subject: - Preparation of Annual Accounts for the year 2023-24 - regarding.

Reference: - Instructions of letter even number dated 11.04.2024.

1. In continuation of instructions issued vide Council's letter of even number dated 11.04.2024, minor modifications have also been inserted in few schedules/annexures in the format of Annual Accounts 2023-24 [Sl. No 1,3,6 (9B), 11 (Annexure to R&P New),14, as indicated in the table below] which may kindly be taken note of while preparing the Annual Accounts 2023-24.
2. Accordingly, the instructions have been updated and updated format of Annual Account 2023-24 has also been uploaded herewith: -

Sl. No	Schedule	Instructions on the basis of Comments observed by the Audit Party
1	Schedule- 1	<p>(i) A Separate Row has been added in the Consolidated Annual Account of Council (Final Summary) to account for the amount of closing balances of Corpus available with the Institute at the end of the financial year and depicted in Schedule-4 as refundable to Council.</p> <p>(ii) Under the row "Adjustment for Capital Fund" the figure to be shown as under: -</p> <p style="padding-left: 40px;">“Revenue resource generated at Unit (-) Recovery of Loans & Advances (+) Amount transferred from Revolving Fund to Institute Corpus Fund & Central Corpus Fund.”</p>
2	Schedule- 3: Earmarked/ Endowment Fund	Interest earned on “ Earmarked/Endowment Funds in term Deposit ” should be properly reflected under Schedule 3 (B) (i) “ Additions from Investments made form the Funds ”. Hence, all Units have to ensure that interest earned/generated on the Earmarked and Endowment Fund invested/kept in the form of FDRs/STDRLs/CLTD during the Current Financial year must be depicted in Schedule-3 and should be added to the concerned funds in pursuance of ICAR Significant Accounting Policy in respect of Earmarked fund.
3	Schedule-4: Current Liabilities & Provisions	<p>(i) Provision to all outstanding liabilities/ expenses of FY 2023-24 accrued but remained unpaid up to 31.03.2024 should invariably be created and depicted in Scheduel-4, Current Liabilities. Non-provisioning of the same results in understatement of Current Liabilities and Expenses, which must be avoided. (<i>Some Institutes have not made provision of the same</i>).</p> <p>(ii) A row has been introduced to depict Closing balance of Receipts under Institute Corpus Fund (Net), which shall match with closing balance shown in Sub-schedule 4(B) and Annex ‘G’.</p>

	Annexure Schedule 4a Annex to Sch.4b	<p>(i) Under Annexure to Schedule-4a, bifurcation of externally aided projects needs to be shown as per the revised format by all ICAR Units in the relevant category i.e. (A) Projects funded by outside Ministries/Department (B) Projects funded out of Consultancy (C) Other external funded project.</p> <p>(ii) External aided projects under which no transaction taken place during the complete financial year or which stands closed shall be settled in the books of accounts while preparing annual account for the current financial year 2023-24.</p> <p>(i) Annex to Schedule-4b has been added to show the transaction related to the Institute Corpus Fund and Central Corpus Fund. Closing balance refundable in Sub Schedule 4B shall match with figure shown in schedule-4 under “Receipt under Internal Corpus Fund (Net)”.</p>
4	Schedule-5: Fixed Assets	<p>The Closing balance of Fixed Assets for the year 2022-23 should match the Opening Balance for the year 2023-24.</p> <p>Figures should be rounded off in all Schedule of Annual Accounts especially with respect to Depreciation under Schedule 5 “Fixed Assets” of the Annual Accounts.</p> <p>Due care may be taken in booking of Capital expenditure in respect of Works and proper classification of the same under heads “Work in Progress” (WIP) (Sch.5) in the Annual Accounts may be carried out.</p>
		Utmost care should be taken while classifying expenditure under Capital Advances and Capital Work-In-Progress. A number of cases has been observed by Audit regarding misclassifications of entries under the said heads resulting into under/over statement in Annual Accounts.
		<p>Non – Uniformity in accounting of assets acquired out of Grant-in-Aid Capital of SCSP funds and given to SCSP beneficiaries has been observed in respect of various ICAR units.</p> <p>Accordingly, it has been decided by the Competent Authority that assets acquired out of “Grant-in-Aid Capital SCSP funds” during the financial year needs to be shown under column “Additions during the year”. Further, in case of assets gifted away to SCSP beneficiaries needs to be deducted from “Capital Fund in Schedule - 1 under the head Adjustment from Capital Fund”. Details of all such assets gifted away using SCSP during the financial year shall be provided in “Notes to Accounts”.</p>
		<p><i>In response to audit observation, depreciation policy has been modified.</i></p> <p>Depreciation will be charged at the applicable rate for the full financial year on assets acquired during April-September. For assets acquired during October-March of the year, depreciation will be charged for half-yearly basis at the applicable rate. The change has come with effect from financial year 2022-23.</p>
	Schedule 5 D	Schedule 5D has been revised/modified and renamed as “Assets Acquired under Corpus Fund” including assets acquired under Revolving fund which may be merged with Corpus Fund.

5	Schedule-7: Current Assets, Loans & Advances	<p>Sch.7(B)-Utmost care should be taken while classifying expenditure under capital advances and Capital Work-In-Progress. A number of cases has been observed by Audit party regarding misclassifications of entries under the said heads resulting into under/over statement in Annual Accounts.</p>
		Closing balances of all operative bank accounts at the Institute level as on 31 st March should invariably be shown in the Schedule7-Current Assets , including account meant for payment of Statutory dues.
	Annex. to Sch.7 B	<p>Closing balances of stamp, imprest, franking machine depicted in Schedule 7(A), shall be reflected in the closing Balances of Cash in R&P and its Annexure as well as Annexure 'G'.</p> <p>Annexure 7 (B) has been modified to capture details of FDR alone with the duration of the FDR.</p>
6	Schedule- 9	Format has been revised to account for the transactions related to Govt. Grant only.
	Schedule 9A	A table showing the breakup of current year and previous year refunds of Govt. Grant has been incorporated for preparing the Consolidated Annual Accounts of the Council (Final Summary).
	Annexure Schedule 9A-1	<p>Separate column has been included to show the Expenditure incurred under GIA- Salary of AICRPs/CRPs/Network Projects by the Institute during the financial year.</p> <p>Names and codes of Schemes have been updated. All Institutes are instructed to mention the correct name of the schemes and codes assigned to all such respective schemes.</p> <p>In case of any deviation found in either name or codes assigned to the Schemes, the same will lead to rejection of the Annual Account.</p>
	Schedule 9B	Schedule 9B has been modified to capture the detail of funds transferred to Institute Corpus Fund, Central Corpus Fund and government grant out of the opening balances of Internal Revenue Resources of the Institute of previous year. Also, format has been modified to show bifurcation of closing balance of 2023-24, to be available for next financial year.
7	Schedule-19	Booking Head " Others " of Point E has been replaced with " Development Grant top SAU and other Financial Support ".
8	Schedule-21	Any Expenses of a Prior Period (not pertaining to the current financial year) paid during the current financial year should invariably depicted as Prior Period Expenses in Sch.21 in the Annual Account of that year. Prior Period Expenditure such as arrears etc. may be shown in schedule-21 .
9	Schedule-22 (Significant Accounting Policies)	<p>SAP 3.5: - Full depreciation is provided on additions during the year. Depreciation will be charged at the applicable rate for the full financial year on assets acquired during April-September. For assets acquired during October-March of the year, depreciation will be charged for half-yearly basis at the applicable rate. The change will be effective from the financial year 2022-23.</p> <p>Following modifications have been carried out with the approval of Governing Body, ICAR: -</p>

		<p>SAP 8: - Earmarked funds -Welfare Fund: This represents the allocation of a specific percentage of the intellectual fee levied against and recovered from ICAR professional services (consultancy, contract research, contract services and training). The fund is utilized for grants to families of deceased employees, Ex-gratia payments to employees/scholarships/hostel subsidy/cash awards and subsidy for books, etc. The balance in the fund is invested and the income from the investment is added to the fund.</p> <p>SAP 11: - Corpus Funds:</p> <p>11.1 Deleted</p> <p>11.2 The transactions related to Corpus Fund of ICAR as per the Corpus Fund guidelines are accounted for under the respective financial heads.</p> <p>11.3 The revenue expenditure incurred out of Revolving Fund schemes as well as the income derived from such schemes by the ICAR Institutes are accounted for under the respective financial heads.</p>
10	Schedule- 23 (Notes to Accounts)	<ul style="list-style-type: none"> - The value of Re. 1/- should be entered against the leasehold/ freehold land instead of 'Nil'. Detail of such land may be provided in 'Notes to Account'. - The reference of GPF Accounts which is maintained separately in the Unit must be included in the 'Notes to Account'. - Wherever, under various Schedules of Annual Account, the head "Others" has been indicated such as Sch-4, Sch-6, Sch-7, Sch-10, Sch-11, Sch-12 and Sch-14(Other Misc. Income) is required to be indicated specifically in 'Notes to Accounts' - Disclosure of disputed/encroached land in the annual accounts: - Details of any such case of encroached/disputed land in respect of the Institute should be disclosed in the Notes to Accounts by concerned unit. - <u>Asset Register:</u> All Units are hereby instructed to reconcile the figures of Fixed Assets provided in their annual accounts with Fixed Asset Register maintained at the Institute level. Physical verification of Fixed Assets as on 31st March of the financial year should be completed and figures of all Fixed Assets should invariably be shown in the Annual Accounts duly matched with the Asset Register maintained by the Institute. Reconciled figures need to be put in the Accounts and it should be duly certified as per proforma. <i>"It is hereby certified that the figures of Fixed Asset as shown in the Annual Accounts of (name of Institute) for the FY 2023-24 have been duly reconciled with the figures of Fixed Asset Register maintained at the Institute level."</i> - Accrued Interest: A certificate with regard to the amount of accrued interest shown in Sch-7 vis-a-vis Sch-13 should be furnished in Notes to Accounts, as follows <i>"It is hereby certified that amount of Accrued interest shown in the Annual Accounts of (name of Institute) for the FY 2023-24 has been duly reconciled with manual record registers maintained at Institute level and no discrepancy has been observed in the same."</i> - Interest Bearing Advances: A certificate with regard to the amount of accrued interest shown in Sch-7 vis-a-vis Sch-4 should be furnished in Notes to Accounts, as follows

		<p><i>"It is hereby certified that the amount of Interest-Bearing Advances shown in the Annual Accounts of (name of Institute) for the FY 2023-24 has been duly reconciled with manual record registers maintained at Institute level and no discrepancy has been observed in the same."</i></p> <p><i>(Institute also required to maintain detailed record in this regard which may be made available to internal audit team at the time of conduct of audit).</i></p>
11	R&P (New Format)/ R& P New Annex/ R & P (Old Format)	<p>4. Separate Rows have been added in the Receipt & Payment side of R&P Account, Annexure to R&P (New) and Annexure G to depict the transactions of Corpus Fund (Both Institute & Council Corpus).</p> <p>5. While calculating the amount to be booked as U-Remittance, amount of gratuity withholds upto the end of the financial year shall be taken under U-Remittances.</p> <p>6. "<i>Non-Interest-Bearing Advances</i>" has been deleted from the Receipt & Payment in the R&P (Old Format).</p>
12	Annexure A	Format has been revised to account for the transaction related to Revenue generated by Institute and Corpus Fund.
13	Annexure B	<p>Separate columns have been created for "<i>Allocation out of ICAR Non-scheme other than salary and pension to show grant-in-aid received and expenditure incurred during the year.</i></p> <p>Institutes are hereby instructed to depict the receipt & expenditure correctly as per the revised format.</p>
14	Annexure G	<p>(4) Separate Rows have been added to show the transactions related to Corpus Fund.</p> <p>(5) A.P.Cess Fund Schemes has been deleted.</p> <p>(6) Non-interested Bearing Advance ("S" Advances) has been deleted.</p>
15	Register	All Units are instructed to maintain Expenditure Control Registers, Register of Contracts, Grants in Aid, FDR Register/TDR Register, Expenditure Control Register by Units.
16	Physical verification of Fixed Assets	Physical verification of Fixed Assets as on 31 st March of the financial year should be completed and figures of all fixed assets should invariably be shown in the Annual Accounts duly matched with the Asset Register maintained by the Institute. Accordingly, all Units are instructed to update Fixed Asset Register in the prescribed format.
17	Assurance certificates in respect of Bank and FD balances as on the last date of Financial year	A certificate duly issued by the respective bank authorities in respect of the closing bank balances and fixed deposits/STDR/CLTD in respect to all the operating Bank Accounts need to be annexed with the bank Reconciliation Statement submitted along with the Annual Accounts.
18	Disclosure of disputed/encroached	Details of any such case of encroached/disputed land in respect of the Institute should invariably be disclosed in the Notes to Accounts (Sch. 23) by each Unit.

	land in the annual accounts	
19	Freehold/Leasehold	In case of showing amount against Freehold/Leasehold land under Sch.5. , details of the same to be provided in Notes to Account.
20	Settlement of pending/unreconciled items in Bank Reconciliation Statement/TSA	<p>The pending issues in the Bank Reconciliation Statement of the Institute and all items pertaining to the period prior to December 2023 may be settled and compliance be reported by 31st March 2024. Accordingly, this may also be reported in the Annual Accounts.</p> <p>As far as BRS of TSA is concerned, there must not be any difference under Column C1 and C2 in the prescribed format of TSA. In case of a difference, the same should be traced and “Nil” amount for the month of March, 2024 may be sent to the Council.</p>
21	Other Income/Expenses	Details of all items whether income or expenditure shown under the head “OTHERS” in all the Income & Expenditure Schedules needs to be clearly specified in the respective Schedule itself or Notes to Accounts. Number of observations are made by the Audit Party in this regard and therefore due care must be taken to specifically providing details of all items booked/shown under “OTHER” head in the Annual Account.
22	Bank Reconciliation Statement (BRS)	<p>ICAR Units are required to provide Bank Reconciliation Statement (BRS) in respect of ALL BANK accounts maintained at Institute/Regional Office level along with details of all Bank accounts and its Bank Certificate to be obtained in respect to each of Bank Accounts from Bank informing the bank balance as on 31st March, 2024. Since, providing BRS (Proforma I-IV) of all bank accounts along with Bank details and Bank Certificate of respective Units to Auditors have become a mandatory requirement, therefore, all Units are instructed to adhere to the same.</p> <p>BRS of all accounts maintained at Institute Closing Balance of Cash Book of all accounts maintain by Institute should match with closing balance shown in R&P and Schedule 7 Current Asset. Accordingly, two proforma have been attached with Sch. 7 i.e. Annexure to 7- A and Annexure to 7-B. <u>Further all Institutes are requested that BRS (Proforma I-IV) of all accounts along with Bank Details in the prescribed proforma (Annexure to Sch.7-A and Sch.7-B and its Bank Certificate up to 31.03.2024 should be sent to the Council separately after the closing of Financial Year 2023-2024 for submitting to Audit Party in time.</u></p> <p>In case of BRS of Treasury Single Account (TSA), there must not be any difference under Column C1 and C2 in the prescribed format of TSA. In case of a difference, the same should be traced and “Nil” amount for the month of March, 2024. may be sent to the Council separately.</p>
23	Corpus Fund related Transaction	Based upon the aforesaid instruction related to the Corpus Fund Transaction in the various relevant schedule of Annual Account 2023-24, specific instructions and checklist have also been provided separately. This may be strictly adhered to.

Worksheets seeking details on the various object heads shown in the Annual Accounts has been added as follow: -

Sl. No.	Particulars	Worksheet
a.	Outstanding Liabilities	Details of amount of outstanding liabilities shown in Schedule-4 should be provided in Worksheet-1 as per the format.
b.	Prepaid Advances	Details of all Capital and Revenue Advances shown in Sch-7B should be provided in WS-2 as per the format.
c.	EMD/Security Deposit	Details of amount of EMD / Security Deposit shown in Schedule-4 should be provided in WS-3 as per the format.
d.	U-Remittances	Details of closing balances of U-Remittances shown in Annex 'G'/Sch-4 should be provided in WS-4 as per the format.
e.	Imprest / Cash-in-hand	List of holders of imprest / cash in hand shown in Annex-G / R&P Account/ Sch-7 should be provided in WS-5 as per the format.
f.	Closing stock	Details of amount of Closing stock shown in Schedule-7 should be provided WS-6
g.	Non-Interest-Bearing Advances	As per the instructions already issued by Council, all non-interest-bearing advance have been discontinued from FY 2017-18 onwards. Accordingly, in case of any Unit showing the amount of non-interest-bearing advances needs to reconcile and settle the same in the annual account for the FY 2023-24.

1. The Institute may also rectify any discrepancies or/and show compliance to the audit observations made as per SAR and Annexure to Management Letter 2022-23 while preparing the Annual Accounts for the year 2023-24.
2. Bank Reconciliation Statement up to the month of **March, 2024 pertaining to all the bank accounts operational in the unit and Bank details and its Bank Certificate of all account and BRS in respect of TSA** may be appended along with Annual Accounts 2023-24 and it is **mandatory**.
3. The **exact coding/numbering of Scheme** may be mentioned in the Annual Accounts 2023-24 as per the Scheme list uploaded by the Council on the ICAR web-site.
4. **You are, therefore, requested to send the Annual Accounts for the year 2023-24 complete in all respects with all the schedules/annexure to the Council latest by 30-04-2024, positively.**

Yours faithfully,


26/04/2024
(Rajesh Sahay)
Director (Finance)

List of Enclosures uploaded on ICAR website under 'Financial Circulars-Annual Accounts 2023-24:-

1. Format of Annual Accounts 2023-24
2. Format of Receipts & Payments (Old Format) 2023-24
3. Format of Receipts & Payments (New Format) 2023-24
4. Revised Significant Accounting Policy 2023-24 and Notes to Accounts
5. Work Sheets on the various object heads in the Annual Accounts 2023-24.
6. Format of BRS & TSA
7. List of Plan Schemes 2023-24 with Scheme Code and PFMS Codes
8. Check Points for preparation of Annual Accounts 2023-24.
9. Copy of Annexure to Management letter and SAR 2022-23 along with Institute-wise list of Audit observation.
10. Closing Balance of 2022-23.