

**No. 29-4/2012-IFD**  
**Government of India**  
**Ministry of Human Resource Development**  
**Department of Higher Education**


Shastri Bhawan, New Delhi  
Dated 17<sup>th</sup> April, 2015

Subject : Revision of Formats of Accounts of Central Educational Institutions (CEIs).

It may be recalled that, earlier, the MHRD had taken a decision to adopt a Uniform Accounting Standards in all the Educational Institutions from April, 2013 onwards, based on the recommendations of a Working Group constituted in the Ministry. On acceptance of the recommendation of the Working Group, an Advisory was issued by the MHRD on 1<sup>st</sup> February 2012, asking all Central Educational Institutions (CEIs) including Central Universities, UGC, AICTE, KVS, CBSE etc. to follow a Revised Formats of Accounts, so that the new System of Accounting and Financial Reporting could be implemented from the financial year 2013-14.

2. The Formats of Accounts have since been reviewed in the MHRD and the Revised Formats and Schedules of Financial Statements for CEIs which also include formats for presentation of the Annual Accounts of GPF/CPF and New Pension Scheme have been finalized. These Revised Formats have since been approved by the Office of the Comptroller & Auditor General of India, vide their letter No RC (AB)/Misc./Format of A/cs/04-31/2013 dated 10<sup>th</sup> April, 2015 (copy enclosed). The preparation and presentation of Annual Accounts of the CEIs therefore need to be strictly as per the revised Formats of Accounts, as approved by the Office of C&AG of India. A copy of the Revised Formats of Accounts, as also the Guidance Notes including Master Chart of Heads of Accounts, are enclosed for information, guidance and strict compliance by all Autonomous Bodies under the administrative control of the MHRD and the CEIs. The Revised Formats of Accounts and Guidance Notes are also available on the websites of the Department of Higher Education and the Department of School Education and Literacy.

3. The concerned Bureaus in the Department of Higher Education and School Education & Literacy may, therefore, take necessary steps to implement the above decision and issue appropriate instructions to all concerned Autonomous Bodies and Central Educational Institutions (CEIs) under their administrative control including Institutions like UGC, AICTE IITs, and NITs. IITs, IIITs, Central Universities, NVS, KVS, CBSE, State Universities etc in this regard, so that New System of Accounting and Financial Reporting, as per the Revised Format of Accounts, is implemented for preparation and presentation of Annual Accounts for the year 2014-15.

  
(Yogendra Tripathi)  
Joint Secretary & Financial Adviser

Encl: as above

- DR AC*
1. All Bureau Heads in the Department of Higher Education and School Education & Literacy.
  2. All Divisional Heads in the Department of Higher Education and School Education & Literacy.

Copy for information and necessary action to:

1. All Autonomous Bodies and Central Educational Institutions (CEIs) under the Department of Higher Education, MHRD
2. All Autonomous Bodies and Central Educational Institutions (CEIs) under the Department of School Education and Literacy, MHRD

Copy for information to:

1. CCA, MHRD
2. PS to HRM
3. Sr. PPS to Secretary (HE)
4. PPS to Secretary (SE&L).

Copy also to:

NIC Unit, MHRD - for placing the Revised Formats of Accounts and Guidance Notes on the websites of the Department of Higher Education, MHRD and the Department of School Education and literacy, MHRD.

The Director  
Indian Institute of Information  
Technology Design and Manufacturing  
(IIITDM) Kancheepuram,

*Received on 24/4/15*

*N*  
*24/4/15*  
*Acad*  
*24/4/15*

**FORMATS OF FINANCIAL STATEMENTS  
FOR  
CENTRAL HIGHER EDUCATIONAL INSTITUTIONS**

NAME OF EDUCATIONAL INSTITUTION \_\_\_\_\_

BALANCE SHEET AS AT \_\_\_\_\_

SOURCES OF FUNDS	Amount in Rupees		
	Schedule	Current Year	Previous Year
CORPUS/CAPITAL FUND	1		
DESIGNATED/ EARMARKED / ENDOWMENT FUNDS	2		
CURRENT LIABILITIES & PROVISIONS	3		
TOTAL			

APPLICATION OF FUNDS	Amount in Rupees		
	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 & DEPOSITS	8		
TOTAL			

SIGNIFICANT ACCOUNTING POLICIES 23

CONTINGENT LIABILITIES AND NOTES TO ACCOUNTS 24

NAME OF EDUCATIONAL INSTITUTION\_\_\_\_\_

INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD/YEAR ENDED\_\_\_\_\_

				Amount in Rupees	
Particulars	Schedule	Current Year	Previous Year		
<u>INCOME</u>					
Academic Receipts	9				
Grants / Subsidies	10				
Income from investments	11				
Interest earned	12				
Other Income	13				
Prior Period Income	14				
<u>TOTAL (A)</u>					
<u>EXPENDITURE</u>					
Staff Payments & Benefits (Establishment expenses)	15				
Academic Expenses	16				
Administrative and General Expenses	17				
Transportation Expenses	18				
Repairs & Maintenance	19				
Finance costs	20				
Depreciation	4				
Other Expenses	21				
Prior Period Expenses	22				
<u>TOTAL (B)</u>					
Balance being excess of Income over Expenditure (A-B)					
Transfer to / from Designated Fund					
Building fund					
Others (specify)					
Balance Being Surplus / (Deficit) Carried to Capital Fund					

Significant Accounting Policies 23

Contingent Liabilities and Notes to Accounts 24

# **SCHEDULES FORMING PART OF BALANCE SHEET**

**SCHEDULE - 1 CORPUS/CAPITAL FUND**

Amount in Rupees		
	Current Year	Previous Year
Particulars		
Balance at the beginning of the year		
Add: Contributions towards Corpus/Capital Fund		
Add: Grants from UGC, Government of India and State Government to the extent utilized for capital expenditure		
Add: Assets Purchased out of Earmarked Funds		
Add: Assets Purchased out of Sponsored Projects, where ownership vests in the institution		
Add: Assets Donated/Gifts Received		
Add: Other Additions		
Add: Excess of Income over expenditure transferred from the Income & Expenditure Account		
<b>Total</b>		
(Deduct) Deficit transferred from the Income & expenditure Account		
<b>Balance at the year end</b>		

SCHEDULE 2 - DESIGNATED/ EARMARKED / ENDOWMENT FUNDS

Particulars	Fund wise Breakup					Total		Amount in Rupees
	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								
ii) Capital Expenditure								
ii) Revenue Expenditure								
Total (B)								
Closing balance at the year end (A - B)		XX	YY	ZZ	LL			
Represented by								
Cash And Bank Balances								
Investments								
Interest accrued but not due								
Total		XX	YY	ZZ	LL			

**SCHEDULE 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+11)
		3. Endowment	4. Accumulated Interest	5. Endowment	6. Interest	7. Endowment (3+5)	8. Accumulated Interest (4+6)		9.	10. Endowment	
	Total										

Amount in Rupees

**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
<b>A. CURRENT LIABILITIES</b>			
1. Deposits from staff			
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			
d) Unutilised Grants			
e) Grants in advance			
f) Other funds			
g) Other liabilities			
<b>Total (A)</b>			
<b>B. PROVISIONS</b>			
1. For Taxation			
2. Gratuity			
3. Superannuation Pension			
4. Accumulated Leave Encashment			
5. Trade Warranties/Claims			
6. Others ( Specify)			
<b>Total (A+ B)</b>			
<b>Total (B)</b>			

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

**SCHEDULE - 3 (a) SPONSORED PROJECTS**

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							

Amount in Rupees

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.

**SCHEDULE 3 (b) SPONSORED FELLOWSHIPS AND SCHOLARSHIPS**

Sl No	2. Name of Sponsor	Opening Balance As On 01.04.____		Transactions During the year			Closing Balance As On 31.03.____	
		3	4	5	6	7	8	
1		CR.	DR.	CR.	DR.	CR.	DR.	
1	University Grants Commission							
2	Ministry .....							
3	Others (Specify individually)							
	<b>Total</b>							

**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).

**SCHEDULE 3(c) UNUTILISED GRANTS FROM UGC, GOVERNMENT OF INDIA AND STATE GOVERNMENTS**

Amount in Rupees		Current Year	Previous Year
<b>A. Plan grants: Government of India</b>			
Balance B/F			
Add: Receipts during the year			
<b>Total (a)</b>			
Less Refunds			
Less: Utilized for Revenue Expenditure			
Less: Utilized for Capital expenditure			
<b>Total (b)</b>			
Unutilized carried forward (a-b)			
<b>B. UGC grants: Plan</b>			
Balance B/F			
Receipts during the year			
<b>Total (c)</b>			
Less Refunds			
Less: Utilized for Revenue Expenditure			
Less: Utilized for capital expenditure			
<b>Total (d)</b>			
Unutilized carried forward (c-d)			

<b>C. UGC Grants Non Plan</b>			
Balance B/F			
Receipts during the year			
	<b>Total (e)</b>		
Less: Refunds			
Less: Utilised for Revenue Expenditure			
Less: Utilised for Capital Expenditure			
	<b>Total (f)</b>		
Unutilized carried forward (e - f)			
<b>D. Grants from State Govt.</b>			
Balance B/F			
Add: Receipts during the year			
	<b>Total (g)</b>		
Less: Utilized for Revenue Expenditure			
Less: Utilized for Capital Expenditure			
	<b>Total (h)</b>		
Unutilized carried forward (g - h)			
	<b>*Grand Total (A+B+C+D)</b>		

**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 ASSETS

Under 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	Tubewells 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

<b>10. Furniture, fixtures and Fittings</b>	Include items such as desks/benches, cabinets, almirahs, tables, chairs, partitions, etc
<b>11. Computers/Peripherals</b>	Include computers, printers and other peripherals like , UPS etc.
<b>12. Sports Equipment</b>	Include items such as table tennis table, gym equipment.
<b>13. Vehicles</b>	Include Buses, lorries, vans, Cars, scooters, etc.
<b>14. Library Books and Scientific Journals</b>	Library books will include books/ Scientific Journals
<b>15. Intangible assets</b>	Include computer software, patents & trade marks, E Journals specified separately.
<b>16. Capital Work-In- Progress</b>	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**

S.No	Assets Heads	Gross Block				Depreciation for the Year ....			Amount in Rupees	
		Op Balance 01.04....	Additions	Deductions	CI Balance	Dep Opening Balance	Depreciation for the Year	Deductions / Adjustment	Total Depreciation	Net Block 31.03..... 31.03.....
1	Land									
2	Site Development									
3	Buildings									
4	Roads & Bridges									
5	Tubewells & 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, Fixtures & Fittings									
14	Vehicles									
15	Lib. Books & Scientific Journals									
16	Small Value Assets									
Total (A)										
17	Capital Work in Progress (B)									
S.No.	Intangible Assets	Op Balance 01.04....	Additions	Deductions	CI Balance	Dep Opening Balance	Amortization for the Year	Deductions / Adjustments	Total Amortization (Adjustments)	31.03..... 31.03.....
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.



**SCHEDULE 4A PIAN**

		Gross Block				Depreciation for the Year .....			Amount in Rupees	
S.No	Assets Heads	Op Balance 01.04....	Additions	Deductions	Cl Balance	Dep Opening Balance	Depreciation for the Year	Deductions / Adjustment	Total Depreciation	Net Block 31.03..... 31.03.....
1	Land									
2	Site Development									
3	Buildings									
4	Roads & Bridges									
5	Tubewells & 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, Fixtures & Fittings									
14	Vehicles									
15	Lib. Books & Scientific Journals									
16	Small Value Assets									
Total (A)										
17 Capital Work in Progress (B)										
S.No.	Intangible Assets	Op Balance 01.04....	Additions	Deductions	Cl Balance	Dep Opening Balance	Amortization for the Year	Deductions / Adjustments	Total Amortization /Adjustments	31.03..... 31.03.....
18	Computer Software									
19	E-Journals									
20	Patents									
Total (C)										
Grand Total (A+B+C)										

**SCHEDULE 4B NON - PLAN**

Amount in Rupees

S.No	Assets Heads	Gross Block		Depreciation for the Year ...			Net Block		
		Op Balance 01.04....	Additions	Deductions	CI Balance	Dep Opening Balance	Depreciation for the Year	Deductions / Adjustment	Total Depreciation
1	Land								31.03.....
2	Site Development								31.03.....
3	Buildings								31.03.....
4	Roads & Bridges								31.03.....
5	Tubewells & Water Supply								31.03.....
6	Sewerage & Drainage								31.03.....
7	Electrical Installation and equipment								31.03.....
8	Plant & Machinery								31.03.....
9	Scientific & Laboratory Equipment								31.03.....
10	Office Equipment								31.03.....
11	Audio Visual Equipment								31.03.....
12	Computers & Peripherals								31.03.....
13	Furniture, Fixtures & Fittings								31.03.....
14	Vehicles								31.03.....
15	Lib. Books & Scientific Journals								31.03.....
16	Small Value Assets								31.03.....
Total (A)									

17	Capital Work in Progress (B)								
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18	Intangible Assets								
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S.No	Intangible Assets	Gross Block		Depreciation for the Year ...			Net Block		
		Op Balance 01.04....	Additions	Deductions	CI Balance	Dep Opening Balance	Amortization for the Year	Deductions / Adjustments	Total Amortization /Adjustments
18	Computer Software								31.03.....
19	E-Journals								31.03.....
20	Patents								31.03.....
Total (C)									

Grand Total (A+B+C)									
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**SCHEDULE 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/ Amortization for the year	Deductions/ Adjustment	Total Depreciation/ Amortization	
1	Patents & Copyrights									31.03 31.03
2	Computer Software									
3	E - Journals									

**SCHEDULE 4(C) (i) PATENTS AND COPYRIGHTS**

Amounts in Rupees.

Particulars	Op. Balance	Addition	Gross	Amortization	Net Block 20.....	Net Block 20.....
<b>A. Patents Granted</b>						
1 Balance as on 31.03.14 of Patents obtained in 2008-09 (Original Value - Rs..../-)						
2 Balance as on 31.03.14 of Patents obtained in 2010-11 (Original Value - Rs..../-)						
3 Balance as on 31.03.14 of Patents obtained in 2012-13 (Original Value - Rs..../-)						
4 Patents granted during the Current Year						
<b>Total</b>						

Particulars	Op. Balance	Addition	Gross	Patents Granted/Rejected	Net Block 2013-14	Net Block 2012-13
<b>B. Patents Pending in respect of Patents applied for</b>						
1 Expenditure incurred during 2009-10 to 2011-12						
2 Expenditure incurred during 2012-13						
3 Expenditure incurred during 2013-14						
<b>Total</b>						

<b>C. Grand Total (A+B)</b>						
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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.

# **SCHEDULE 4D OTHERS**

S.No	Assets Heads	Gross Block				Depreciation for the Year .....			Amount in Rupees	
		Op Balance 01.04.....	Additions	Deductions	CI Balance	Dep Opening Balance	Depreciation for the Year	Deductions / Adjustment	Total Depreciation	31.03..... 31.03.....
1	Land									
2	Site Development									
3	Buildings									
4	Roads & Bridges									
5	Tubewells & 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, Fixtures & 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 from:

Gifted	..
Earmarked Funds	..
Sponsored Projects	..
Own Funds	..
<b>Total</b>	..

**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)		
<b>Total</b>			

**SCHEDULE 5 (A) INVESTMENTS FROM EARMARKED/ENDOWMENT FUNDS (FUND WISE)**

Sl. No.	Funds	Amount in Rupees	
		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)		
<b>TOTAL</b>		



**SCHEDULE 7 – CURRENT ASSETS**

		Amount in Rupees	
		Current Year	Previous Year
<b>1. Stock:</b>			
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			
<b>2. Sundry Debtors:</b>			
a) Debts Outstanding for a period exceeding six months			
b) Others			
<b>3. Cash and Bank Balances</b>			
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			
<b>4. Post Office- Savings Accounts</b>			
<b>TOTAL</b>			

Note: Annexure A shows the details of Bank Accounts

# ANNEXURE A

	Amount in Rupees
<b>I. Savings Bank Accounts</b>	
1. Grants from UGC A/c	
2. University Receipts A/c	
3. Scholarship A/c	
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. Student Fund A/c	
19. Student Aid Fund A/c	
20. Plan Grants for specific schemes	
<b>II. Current Account</b>	
<b>III. Term Deposits with Schedule Banks</b>	
<b>Total</b>	

# SCHEDULE 8 - LOANS, ADVANCES & DEPOSITS

Amount in Rupees

	Current Year	Previous Year
1. Advances to employees: (Non-interest bearing)		
a) Salary		
b) Festival		
c) Medical Advance		
d) Other (to be specified)		
2. Long Term Advances to employees: (Interest bearing)		
a) Vehicle loan		
b) Home loan		
c) Others (to be specified)		
3. Advances and other amounts recoverable in cash or in kind or for value to be received:		
a) On Capital Account		
b) to Suppliers		
c) Others		
4. Prepaid Expenses		
a) Insurance		
b) Other expenses		
5. Deposits		
a) Telephone		
b) Lease Rent		
c) Electricity		
d) AICTE, if applicable		
e) Others (to be specified)		

6. Income Accrued:		
a) On Investments from Earmarked/ Endowment Funds		
b) On Investments-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 & Scholarships		
c) Grants Receivable		
d) Other receivables from UGC		
8. Claims Receivable		
<b>TOTAL</b>		

**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.

**SCHEDULES FORMING PART OF INCOME &  
EXPENDITURE ACCOUNT**

# **SCHEDULE 9 - ACADEMIC RECEIPTS**

		Amount in Rupees	
		Current Year	Previous Year
<b>FEES FROM STUDENTS</b>			
<b>Academic</b>			
1. Tuition fee			
2. Admission fee			
3. Enrolment fee			
4. Library Admission fee			
5. Laboratory fee			
6. Art & Craft fee			
7. Registration fee			
8. Syllabus fee			
<b>Total (A)</b>			
<b>Examinations</b>			
1. Admission test fee			
2. Annual Examination fee			
3. Mark sheet, certificate fee			
4. Entrance examination fee			
<b>Total (B)</b>			

<b>Other Fees</b>			
1. Identity card fee			
2. Fine/ Miscellaneous fee			
3. Medical fee			
4. Transportation fee			
5. Hostel fee			
<b>Total ( C )</b>			
<b>Sale of Publications</b>			
1. Sale of Admission forms			
2. Sale of syllabus and Question Paper, etc.			
3. Sale of prospectus including admission forms			
<b>Total (D)</b>			
<b>Other Academic Receipts</b>			
1. Registration fee for workshops, programmes			
2. Registration fees (Academic Staff College)			
<b>Total (E)</b>			
<b>GRAND TOTAL (A+B+C+D+E)</b>			

**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)**

Particulars	Amount in Rupees						
	Plan			Total Plan	Non Plan UGC	Current Year Total	Previous Year Total
	Govt. of India	UGC					
		Plan	Specific Schemes				
Balance B/F							
Add: Receipts during the year							
Total							
Less: Refund to UGC							
Balance							
Less: 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 INVESTMENTS**

Particulars	Amount in Rupees			
	Earmarked / Endowment Funds		Other Investments	
	Current Year	Previous Year	Current Year	Previous Year
1. Interest				
a. On Government Securities				
b. Other Bonds/Debt Instruments				
2. Interest on Term Deposits				
3. Income accrued but not due on Term Deposits/Interest bearing advances to employees				
4. Interest on Savings Bank Accounts				
5. Others (Specify)				
<b>Total</b>				
<b>Transferred to Earmarked/Endowment Funds</b>				
<b>Balance</b>	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 EARNED**

Particulars	Amount in Rupees	
	Current Year	Previous Year
1. On Savings Accounts with scheduled banks		
2. On Loans		
a. Employees/Staff		
b. Others		
3. On Debtors and Other Receivables		
<b>Total</b>		

**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	
A. Income from Land & Buildings		Current Year	Previous Year
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		
<b>Total</b>			
<b>B. Sale of Institute's publications</b>			
<b>C. Income from holding events</b>			
1.	Gross Receipts from annual function/ sports carnival		
	<b>Less: Direct expenditure incurred on the annual function/ sports carnival</b>		
2.	Gross Receipts from fetes		
	<b>Less: Direct expenditure incurred on the fetes</b>		
3.	Gross Receipts for educational tours		
	<b>Less: Direct expenditure incurred on the tours</b>		
4.	Others (to be specified and separately disclosed)		
<b>Total</b>			

<b>D. Others</b>			
1. Income from consultancy			
2. RTI fees			
3. Income from Royalty			
4. Sale of application form (recruitment)			
5. Misc. receipts (Sale of tender form, 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)			
	<b>Total</b>		
<b>Grand Total (A+B+C+D)</b>			

**SCHEDULE 14 - PRIOR PERIOD INCOME**

Particulars	Amount in Rupees	
	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

	Current Year			Previous Year		
	Plan	Non Plan	Total	Plan	Non Plan	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						
l) Others (specify)						
<b>TOTAL</b>						

Amount in Rupees

**SCHEDULE 15 A – EMPLOYEES RETIREMENT AND TERMINAL BENEFITS**

Amount in Rupees				
	Pension	Gratuity	Leave Encashment	Total
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)				
A. Provision to be made in the Current year (d - c)				
B. 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**

	Current Year			Previous Year		Amount in Rupees
	Plan	Non Plan	Total	Plan	Non Plan	
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)						
<b>TOTAL</b>						



**SCHEDULE 17 - ADMINISTRATIVE AND GENERAL EXPENSES**

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

Amount in Rupees

**SCHEDULE 18 – TRANSPORTATION EXPENSES**

		Amount in Rupees					
		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						
<b>Total</b>							

**SCHEDULE 19 – REPAIRS & MAINTENANCE**

Particulars	Amount in Rupees					
	Current Year			Previous 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)						
<b>Total</b>						

**SCHEDULE 20 – FINANCE COSTS**

Particulars	Amount in Rupees					
	Current Year			Previous Year		
	Plan	Non Plan	Total	Plan	Non Plan	Total
a) Bank charges						
b) Others (specify)						
<b>Total</b>						

**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**

Particulars	Current Year			Previous 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)						
<b>Total</b>						

**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**

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						
<b>Total</b>						

Amount in Rupees

**SCHEDULES 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.
- 3.3 Books received as gifts, are valued at selling prices printed on the books. Where they are not printed, the value is based on assessment.



3.4 Fixed 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

3.5 Depreciation is provided for the whole year on additions during the year.

- 3.6 Where 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.
- 3.7 Assets 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.
- 3.8 Assets, 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 31<sup>st</sup> 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.

**8.1 CORPUS FUND** was established in (year). Matching contribution from University Grants Commission, Recognition /Affiliation fee received from Colleges and other academic institutions, Institution's 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.

**8.2 A. D Fund**

This fund was established on 1<sup>st</sup> 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.

**8.3 House Building Advances Fund**

A revolving fund for the purpose of paying interest bearing advances to the officers & staff for House Building.

**8.4 JRF/SRF Fund**

Fund provided by the UGC/Government for the purpose of paying Fellowships to Junior/ Senior Research Fellows.

**8.5 Conveyance 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.

**8.6 Rajiv Gandhi National Fellowship Fund**

Fund provided by University Grants Commission for fellowship to SC/ST Students of the University.

8.7

**Endowment 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 31<sup>st</sup> 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 Grantor.

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:

- 1.1 As 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)
- 1.2 Letters of credit established by the Bank on behalf of the Institution and outstanding on 31.03. - Rs. .... (Previous year Rs. \_\_\_\_\_).
- 1.3 Disputed 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:

- 3.1 Additions 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.
- 3.2 In 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)
- 3.3 Fixed 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 year Rs.	Total Rs.	Notional Depreciation Opening Balance	Notional Depreciation for the Year Rs.	Total Notional Depreciation	Total Book value on 31.3 Rs.
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 31<sup>st</sup> 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 (NSDL) – 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

[illegible]

# FORM OF FINANCIAL STATEMENTS (CENTRAL HIGHER EDUCATIONAL INSTITUTIONS)

NAME OF ENTITY \_\_\_\_\_

RECEIPTS AND PAYMENTS ACCOUNT FOR THE PERIOD/YEAR ENDED \_\_\_\_\_

RECEIPTS		Current Year	Previous Year	PAYMENTS	Current Year	Previous Year	Amount in Rupees
		Year	Year		Year	Year	
I. Opening Balances		-----	-----	I. Expenses	-----	-----	-----
a) Cash Balances				a) Establishment Expenses			
b) Bank Balance				b) Academic Expenses			
i. In Current accounts				c) Administrative Expenses			
ii. In deposit accounts				d) Transportation Expenses			
iii. Savings accounts				e) Repairs & Maintenance			
				f) Prior period expenses			
II. Grants Received				II. Payments against Earmarked/Endowment Funds			
a) From Government of India							
b) From State Government							
c) From other sources (details)							
(Grants for capital & revenue exp/ to be shown separately if available)							
III. Academic Receipts				III. Payments against Sponsored Projects/Schemes			
IV. Receipts against Earmarked/Endowment Funds				IV. Payments against Sponsored Fellowships/Scholarships			
V. Receipts against Sponsored Projects/Schemes				V. Investments and Deposits made			
				a) Out of Earmarked/Endowments funds			
				b) Out of own funds (Investments - Others)			
VI. Receipts against sponsored Fellowships and Scholarships				VI. Term Deposits with Scheduled Banks			
VII. Income on Investments from				VII. Expenditure on Fixed Assets and Capital Works - in - Progress			
a) Earmarked/Endowment funds				a) Fixed Assets			
b) Other investments				b) Capital Works - in - Progress			

VIII.	Interest received on				VIII.	Other Payments including statutory payments		
	a) Bank Deposits							
	b) Loans and Advances							
	c) Savings Bank Accounts							
IX.	Investments encashed				IX.	Refunds of Grants		
X.	Term Deposits with Scheduled Banks encashed				X.	Deposits and Advances		
XI.	Other income (including Prior Period Income)				XI.	Other Payments		
XII.	Deposits and Advances				XII.	Closing balances		
						a) Cash in hand		
						b) Bank balances		
						In Current Accounts		
						In Savings Accounts		
						In Deposit Accounts		
XIII.	Miscellaneous Receipts including Statutory Receipts							
XIV.	Any Other Receipts							
	TOTAL					TOTAL		

# **GPF AND NPS ACCOUNTS**

# PROVIDENT FUND ACCOUNT

## BALANCE SHEET AS AT MARCH 31, 2015

Amount in Rupees			
Amount	Liabilities	Amount	Assets
	<u>GPF</u> Opening Balance Less: Subscription for March 2014  Add: Subscriptions in the year Add: Sub for March 2015 Add: Interest Credited Less: Advance/withdrawal Closing Balance		Investment Int. accrued as on 31/03/15 Subscription Due for March, 2015: GPF CPF UC due to CPF NPS-II  Tax recovered from interest on Investments Pending refund from Income Tax Department  Cash at Bank SBI, Branch- I " " II Bank
	<u>CPF</u> Opening Balance Less: Sub. for March 2014 Add: Subscriptions in the year Add: Sub for March 2015 Add: Interest Credited Less: Advance/withdrawal Closing Balance		

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



# PROVIDENT FUND ACCOUNT

## RECEIPTS AND PAYMENTS ACCOUNTS FOR THE FINANCIAL YEAR 2014-15

Receipts		Amount	Payments	Amount in Rupees	
Opening Balance as on 1/4/14			GPF Adv./Withdrawal		
SBI, Branch- I			CPF Adv./Withdrawal		
SBI, Branch -II			NPS Tier-II		
Bank			University Contribution Withdrawal		
GPF Subscription			Investment during the year		
CPF Subscription			<u>Closing Balance:-</u>		
CPF University Contribution			SBI, Branch- I		
NPS Tier-II Account			SBI, " " II		
Investment Encashed			Bank		
Interest Received					
<b>Total</b>			<b>Total</b>		

# NPS TIER - I ACCOUNT

## BALANCE SHEET AS AT MARCH 31, 2015

Amount				Amount in Rupees	
Amount	Liabilities	Amount	Amount	Assets	Amount
	<p>NPS Tier-I Account</p> <p>Opening Balance .</p> <p>Less: Sub. For 3/2014</p> <p>Add: Sub+U Contribution</p> <p>Add: Interest Credited</p> <p>Less: Transferred to NSDL</p> <p>Add: Sub+UC for 3/2015</p> <p>Excess of Income over Expenditure</p> <p>Balance as on 1.4.2014</p> <p>Add: During the year</p>			<p>NPS Tier - I Account</p> <p>Subscription and Contribution due for 3/15</p> <p>Investment</p> <p>Interest Accrued but not due</p> <p>Balance at Bank</p>	
	Total			Total	

# NPS TIER - I ACCOUNT

## INCOME AND EXPENDITURE ACCOUNT FOR THE FINANCIAL YEAR 2013-14

Amount	Expenditure	Amount in Rupees		
		Amount	Income	Amount
	Interest Credited to Subscribers' Accounts		Interest Earned on Investment	
	Bank Charges		Less: Interest Accrued 31/03/14	
	Excess of Income over Expenditure		Interest Accrued but not due.	
	Total		Total	

# NPS TIER - I ACCOUNT

## RECEIPTS AND PAYMENTS ACCOUNT FOR THE FINANCIAL YEAR 2014-15

Receipts		Amount in Rupees	
Receipts	Amount	Payments	Amount
Opening Balance as on 1/04/2014			
<b>NPS Tier-I Account</b>			
Own Subscription		Investment	
University Contribution		Withdrawal/Refund to NSDL	
Interest Received on Investment		Closing Balance as on 31/03/2015	
Interest on saving bank a/c			
Investment Encashed			
<b>Total</b>		<b>Total</b>	



# INSTRUCTIONS AND ACCOUNTING PRINCIPLES



# NOTES AND INSTRUCTIONS FOR COMPILATION OF FINANCIAL STATEMENTS OF CENTRAL EDUCATIONAL INSTITUTIONS

## INSTRUCTIONS AND ACCOUNTING PRINCIPLES

- 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; and
- (c) 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, and
- b) 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.

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## **BALANCE SHEET**

### **SCHEDULE 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.

## 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 fulfil 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.

## 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
3. Advances Received      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.
4. Statutory Liabilities
  - a) Overdue      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 SSI Units on their overdues, sales tax, excise, customs duty, and other statutory levies.  
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.  
Those for which due date is not reached.
  - b) Others
5. Other Current Liabilities      These would include amounts not covered by the other sub-heads. Any material amount included under this sub-head may be separately shown indicating the nature thereof.
- Book Overdraft      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 overdrawing 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 31 <sup>st</sup> March is to be obtained every year.   |
| 3. Superannuation/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 31 <sup>st</sup> March to be obtained every year, which will also cover Pensioners and Family Pensioners on the rolls. |
| 4. Accumulated 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 31 <sup>st</sup> March to be obtained every year.   |

5. Trade Warranties/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/Commuted 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 31<sup>st</sup> 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

### SCHEDULE 4-FIXED ASSETS:

#### 1. LAND

- a) Freehold
- b) Leasehold

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. Leasehold land should be amortized over the period of lease unless the lease is in perpetuity

#### 2. BUILDINGS

- a) On freehold land
- b) On leasehold land
- c) Ownership Flats/  
Premises
- d) Superstructures on  
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".

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.  
Freehold/Leasehold to be disclosed.

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 the above 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 the above 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 3<sup>rd</sup> 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 4<sup>th</sup> 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 Free-hold 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 3<sup>rd</sup> column of the Gross Block and 3<sup>rd</sup> 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.



## SCHEDULE-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 recognised 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
- Term Deposits encashed
  - Interest on Term Deposits

On the payment side the reinvested amount will appear as investment in Term Deposits.

## **SCHEDULE 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.

4. Others  
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.

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



## SCHEDULE 7 - CURRENT ASSETS.

### 1. Inventories:

a) Stores and Spares      Inventories comprise tangible property including maintenance supplies and consumables, and spares for equipment

b) Inventories      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,

### 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.

## SCHEDULE 8. LOANS, ADVANCES AND DEPOSITS:

### 1. Loans:

Loans and Advances as are considered good & recoverable 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 similar to that of the Entity

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 should be shown separately

#### b) On Investments - Others

#### c) On Loans and Advances

d) Others

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.

Separate disclosure should be made in respect of income accrued due, but not realized.

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

**INCOME**

**SCHEDULE 9 - ACADEMIC RECEIPTS:**

- |                              |  |
|------------------------------|--|
| 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.   |



## SCHEDULE 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 – 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 subsidises 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.

## SCHEDULE 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<br>a) Interest earned at coupon rate upto the last applicable date of interest, i.e. interest accrued & due; and<br>b) Interest accrued thereafter upto the year-end at the coupon rate i.e., Interest accrued but not due |
| b) Other Bonds/<br>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.  |
| 4. Others (Specify)   | Interest claimed on overdue/matured investments shall not be recognized unless pre-conditions for such recognition are satisfied.  |
| 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 – 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.

**SCHEDULE 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)

### **Schedule 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.

I

**SCHEDULE 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	
f)	Expenses on Employees' Retirement and Terminal Benefits	
g)	Others (specify)	

**Notes- General**

1. Sub Schedule 15A 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.

## SCHEDULE- 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 equipment/ tools & appliances) necessary for conducting experiments and running 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 on publicity (admission related & scholarships)
- Periodicals.
- All Expenses related to students welfare.
- Research activities



## SCHEDULE 17 – ADMINISTRATIVE & GENERAL EXPENSES

### **A Infrastructure**

- I) Rent, Rates & Taxes
- II) Electricity Expenses
- III) Water Charges
- IV) Security Expenses
- V) Insurance
- VI) Generator Running Expenses

### **B Communication**

- I) Postage & Telegram
- II) Telephones & Fax
- III) Internet Connectivity Charges
- IV)

### **C Subscriptions to Academic Institutions**

### **D TA to Members of Advisory Committees, etc.**

### **E Advertisement and Publicity**

### **F Legal Expenses**

### **G Others**

- I) Printing and stationery (consumption)
- II) Newspapers & periodicals
- III) Entertainment Expenses
- IV) Bank charges
- V) TA to Candidates



- VI) Labour Charges, Daily Wages & Contract Labour
- VII) Travelling and Local Conveyance
- VIII) Conservancy Expenses
- IX) Liveries
- X) Photocopying Charges
- XI) Contribution to VC Discretionary Fund, etc.
- XII) Other Miscellaneous Administrative Expenses
- XIII) Auditors' Remuneration
- XIV) Professional charges
- XV) Provision for Bad & Doubtful Debts/Advances
- XVI) Irrecoverable balances written off
- XVII) Others

**Notes:**

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".

## **SCHEDULE-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

## **SCHEDULE-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.

## SCHEDULE- 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.

**SCHEDULE 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)

## **SCHEDULE 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**

**SCHEDULES FORMING PART OF ACCOUNTS**

**SCHEDULE 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/Non-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 managed fees etc)
  - (r) Accounting treatment of Assets acquired out of sponsored project funds and earmarked Funds
  - (s) Accounting treatment of Fellowships and Scholarships
  - (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/utilisation 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.

**SCHEDULE 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

3. Other items for which the entity is contingently liable

Liability towards Guarantees given by the entity or by Banks on its behalf and Letters of Credit outstanding as at the year-end are required to be disclosed.

Included here would be disputed statutory and other demands/claims, Bills rediscounted, and other items for which the entity is contingently liable such as suits filed, Arbitration cases pending.

**B. NOTES ON ACCOUNTS**

1. Commitments on capital Account not provided for

This would arise in terms of contracts / arrangements in terms of 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 ESI
- (ix) Salary structure of teachers

The 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 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 31<sup>st</sup> 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.