SCHEDULE 23

SIGNIFICANT ACCOUNTING POLICIES

1. Accounting

The accounts are prepared on the basis of double entry accounting system and on accrual method of accounting.

1. Revenue recognition
2. Fees from students, sale of admission forms, interest on SB accounts are accounted on cash basis.
3. Income from Land, building and other property and interest on investments are accounted on accrual basis.
4. Valuation
5. Raw Material, components, consumable stores and spares are valued at cost. Consumable stores purchased by different departments for project and laboratory is treated as having been consumed during the financial year of purchase
6. Capital work in progress is valued at cost.
7. Semi finished and finished goods are valued at cost or estimated realizable value whichever is less.
8. Fixed Assets
9. Fixed assets are stated at cost or acquisition inclusive of all direct and indirect expenses incurred to put asset in running condition. In respect of projects involving construction related pre-operational expenses including interest on loans till the date of completion, are capitalised to the cost of asset.
10. Fixed assets received by way of non-monetary grant (other than towards the Corpus fund) are capitalised at values stated, by corresponding credits to Capital reserve.
11. Where an asset is fully depreciated, it will be carried at the residual value of Rs. 1 in Balance sheet and will not be further depreciated.
12. Intangible Assets-

Patent and copy rights and computer software are grouped under Intangible assets.

1. Depreciation
2. Depreciaton is not charged on free hold land.
3. Depreciation on assets purchased under World Bank Programme (TEQIP-II) is not charged.
4. Deferred Revenue Expenditure

Deferred Revenue expenditure is written off over a period of 5 years.

1. Grant/Subsidy
2. Government and UGC grants are accounted on accural basis, however where a sanction for release of grant pertaining to financial year is received before 31st march and 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.
3. To the extent utilized towards capital expenditure for current year, the same is transferred to the capital fund.
4. Government and UGC grants for meeting revenue expenditure for current year are treated, the extend utilised as income of the year in which they are realized.
5. Unutilized grants are carried forward and exhibited as liability in the Balance sheet.
6. Retirement Benefits-

Retirement benefits i.e. Gratuity, pension, and leave encashment are provided on the basis of approximate estimation. Pension contribution received in respect of employees on deputation is also credited seperately. Actual payments of Pension, Gratuity and leave encashment are debited in the accounts to the respective provisions.

SCHEDULE 24

CONTINGENT LIABILITIES AND NOTES TO ACCOUNTS

1. Contingent liability
2. There is a demand of Rs 3.72 cr(plus interest for delay in remittances )towards service tax raised in March 2015 regarding procuring the services of CPWD for construction of hostel blocks and extension of the academic block in the institute
3. Service charges amounting to Rs 81.85 lk for the period from 2007-08 to 2013-14was payable to the Bhopal Municipal Corporation against their demand for services rendered by them.
4. The balances of Debtors, Creditors, loan and advances are subject to confirmation and reconciliation.
5. Corresponding figures for previous year have been re-grouped rearranged wherever necessary for presentation as per new format.
6. Missing of library books cases worth Rs137.93 is under police investigation, after final decision proper accounting would be made after final decision.
7. Schedule 01 to 22 are annexed to and forming an integral part of Balance sheet as on 31st march 2016 and the Income and Expenditure account for the year ended on that date.
8. The construction of Main institute building and boys hostel amounting to Rs 1830960006/-( was completed in 2013-14 and 2014-15 ,however the same was by mistake not capitalized in the same year, both of them are now capitalized net of depreciation of previous years (depreciation of previous year of Rs 119039500.30 is shown under prior period exp.)