

**INDIAN COUNCIL OF AGRICULTURAL RESEARCH
KRISHI BHAVAN, NEW DELHI-110001**

No. 1-2/2015-Accounts.II

Date: 31st March, 2015

To,

The Directors/Project Directors of All Research Institutes/Directorates/ Bureaus/NRCs/ZPDs/
NAIP/NFBSFARA/DKMA/ ASRB/Education Division

Subject: Preparation of Annual Accounts for the year 2014-15- reg.

Sir,

The Council is required to Consolidate and submit the Annual Account for the year 2014-15 to the Director General of Audit (Central Expenditure) on or before 30th June, 2015. The same needs to be placed before the Governing Body of the Council also for approval prior to its submission to the CAG. Since Council must submit the Consolidate Annual Accounts, after obtaining approval from the Governing Body, latest by 30th June, 2015 to CAG, it is required for all ICAR units to submit their respective Annual Accounts strictly in the prescribed format **latest by 30th April 2015 positively**. Accordingly, the formats of Annual Accounts along with the relevant schedules in the prescribed format and necessary guidelines for preparation of Annual Accounts have been uploaded on the ICAR web site for information, guidance and necessary action. It is requested that the softcopy of the Annual Accounts in prescribed format along with all annexure may also be forwarded through e.mail at accounts.icar@yahoo.com. Any delay in submission of Annual Account by the units beyond 30.04.2015 will hamper the Consolidation work in the Council and therefore needs personal intervention of the Directors and Finance Officers of the Institutes.

2. Certain modifications have been incorporated in the Format of Annual Accounts 2014-15 in compliance with the Audit observations and reforms in Accounts approved by the Competent Authority. All the Heads of Finance wing of ICAR Units are requested to comply with the following instructions while preparing Annual Account 2014-15 of their respective unit:

Sl.No.	Schedule-wise amendments/modifications/guidelines	Action suggested
Balance Sheet		
1	Schedule 2	Since the concept of 'Capital Reserves' is not relevant for Autonomous Organizations, the present practice in ICAR showing value of assets acquired/donated out of Sponsored Projects (book value) fund has been decided to be discontinued. It would be shown as additions to the Capital Fund. Depreciation on account of these assets may also be charged to Income and Expenditure Account. Units may merge the balances from Schedule-2 'Capital Reserves' to Schedule-1-'Capital Fund' and provide necessary details in Schedule 23-Notes to Accounts. Henceforth, Schedule-2 would not contain any value. (Detailed guidelines in Annexure-I)

2	Schedule 1	A new line is being added to reflect the funds being capitalized out of funds received from Sponsored Projects/ Schemes, i.e. Sponsored Schemes' Funds utilized for Capital Expenditure. However, the closing balance 2013-14 of Schedule 2-Capital Reserve being transferred to Schedule 1-Capital Fund should be shown against the head 'Less/Add: Adjustments to/from Capital Fund'. Details of such adjustments would have be disclosed in Schedule 23-Notes to Accounts.
3	Schedule 3	The units of ICAR would now shift the balances pertaining to sponsored projects/schemes from Schedule 3 to Schedule 4- Current Liabilities & Provisions- A. Current Liabilities- 7. Other Current Liabilities- (C) Receipts against ongoing sponsored/ consultancy/ projects (Net) from the financial year 2014-15 onwards. The units will also require to support this figure with a Sub-schedule giving details of such sponsored projects/schemes, i.e. Sub-Schedule-4. With this modification, Schedule-3 would contain only Earmarked and Endowment Funds for which the details of such funds will be provided by units in Sub-Schedule-3.
4	Sub-Schedule to Schedule 3	A sub-schedule to Schedule 3 introduced earlier has been modified for providing details about Earmarked and Endowment funds exclusively in each category. (Annexure-II)
5	Sub-Schedule to Schedule 4	A sub-schedule to Schedule 4 has been introduced for providing details about Sponsored Projects (R-Deposit schemes). This should match with the balances shown in Annexure-G (Deposit Schemes). (Annexure-III)
6	Schedule-4	The closing balance of Sponsored Projects are to be shown as described in Para 3 above.
7	Schedule-7 (No amendment in the format)	<ol style="list-style-type: none"> 1. A detailed guideline for opening /establishing the Letter of Credit with the banker, how to track and redeem the margin money, and its accounting procedures have been framed in Annexure-IV for uniform and correct accounting treatment. The units may continue to show such value against the head Current Assets under the head "Bank Balances with Scheduled Banks-in Deposit account (including margin money for letters of credit)". 2. Interest on FDR/TDR may be accounted for on accrual basis. However, interest on Savings Bank Account may be accounted for on cash basis, wherever the banker is unable to provide such details of accrued interest.
Income & Expenditure Account		
1	Depreciation	Since, Schedule 2 has been merged with Schedule-1, entire depreciation reflected in Schedule 5 would be charged to Income & Expenditure Account.
2	Schedule 19	Annual Accounts must invariably carry the information sought in the table below Schedule-19 and also in Annexure-19.
Receipts & Payments Account (Old Format)		
1	Annexure – G	A new line is being introduced to segregate the balances of Sponsored Projects and that of Earmarked / Endowment Funds.

3. Detailed instructions given in Annexure-I pertaining to merging of Capital Reserve to Capital Fund may strictly be followed. Format of Sub-Schedules to Schedule-3 and Schedule-4 are given in Annexure-II & Annexure-III, respectively. Instructions related to Margin Money/ Letters of Credit are detailed in Annexure-IV for information and guidance.

4. It has been observed that uniformity is not maintained across units in depiction of certain transactions in the Annual Accounts. Hence, the definition of various items appearing in certain schedules has been compiled and annexed in Annexure-V for ready reference, avoidance of any confusion and maintaining uniformity of the nature of the head of items.

5. In addition to above, the Director General of Audit (Central Expenditure) had also made certain observations on the Annual Accounts for the year 2013-14 of some of the institutes which have already been communicated to the concerned unit. Due care may also be taken to rectify these discrepancies at the time of preparation of Annual Accounts for the year 2014-15.

6. Bank Reconciliation Statement for the month of March, 2015 pertaining to all the bank accounts operational in the unit may be appended alongwith Annual Account 2014-15.

7. You are, therefore, requested to send the Annual Accounts for the year 2014-15 complete in all respects with all the schedules/ annexure to the Council latest by 30.04.2015, positively.

Yours faithfully,


(Devendra Kumar)
Director(Finance)

• **List of Enclosures uploaded on ICAR website under 'Financial Circulars->Annual Accounts 2014-15':**

1. Format of Annual Accounts 2014-15
2. Format of Receipts & Payments (Old format) 2014-15
3. Format of Receipts & Payments (New Format) 2014-15
4. Significant Accounting Policy 2014-15 and Notes to Accounts
5. Annexure-I, II, III & IV as per Para 3 above
6. Annexure-V as per Para 4 above
7. List of Plan Schemes 2014-15 - Revised