



REPORT OF THE AUDITORS TO THE TRUSTEES OF
SHRI MATA VAISHNO DEVI UNIVERSITY

1. We have audited the attached Balance Sheet of **SHRI MATA VAISHNO DEVI UNIVERSITY, KAKRIAL, UDHAMPUR** as at **31st March 2006** and also the Income & Expenditure Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We certify that the Balance Sheet and the Income & Expenditure Account are in agreement with the books of account maintained.
4. We report that :
 - i. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - ii. In our opinion proper books of account have been kept by the above named Institution so far as appears from our examination of such books;
 - iii.
 - (a) *The University has made capital advances to various government agencies/departments for acquisition of land and construction of various facilities at the university site. Such advances aggregating to a total sum of Rs.36,326,934 could not be capitalized to respective asset accounts in the absence of relevant details and the same has been shown under the account head "Capital advances" in Schedule-A [Notes 2 (a) & (b)].*
 - (b) *Value of Work in progress amounting to Rs. 23,411,903 as on 31.03.2005 clubbed under the head "Capital Advances and Capital Work in Progress-Construction Works" has been allocated and capitalized during the year to respective fixed assets on estimated basis in the absence of relevant and adequate details [Note 2(c)].*



Subject to above in our opinion and to the best of our information and according to the explanations given to us, the said Balance Sheet and the Income & Expenditure account read together with other notes thereon give a true and fair view :

- a) In the case of the Balance Sheet of the state of affairs of the above named institution as at 31st March, 2006; and
- b) In the case of the Income & Expenditure Account of the excess of Income over Expenditure for the year ended on that date.

For GUPTA RAVI & ASSOCIATES
Chartered Accountants



Ravi Kumar Gupta

Partner

M. No :-085466

Jammu-24.05.06

SHRI MATA VAISHNO DEVI UNIVERSITY, JAMMU
STATEMENT OF INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2006

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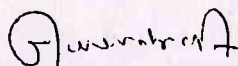
| | For the Year ended 31.03.2006 | For the Period 19.08.04 to 31.03.2005 |
|--|----------------------------------|---|
| Income | Amount (Rs.) | Amount (Rs.) |
| Grant in Aid from Shri Mata Vaishno Devi Shrine Board | 258,605,995 | 21733278 |
| Income from Students | 13,552,591 | 4123875 |
| Interest on Fixed Deposits, Bonds and others | 7,189,413 | 4041519 |
| Donation | 40,000 | - |
| Profit on Redemption of units | 4,423,674 | 3266529 |
| Miscellaneous Receipt | 531,935 | 373500 |
| Total | 284,343,608 | 33,538,701 |
| | | |
| Less : Expenditure | | |
| Salaries, Wages & other personnel exp. | 19,779,015 | 4903795 |
| Repairs and Maintenance of Buildings and others | 587,655 | 366540 |
| University prospectus expenses | 148,000 | 161300 |
| Electricity charges | 2,635,701 | 878532 |
| Water Supply Charges | 233,216 | 200000 |
| Printing & Stationery | 756,081 | 216961 |
| Seminars & Meetings | 405,453 | 401679 |
| Legal and Professional Fee | 57,783 | 104909 |
| Staff Selection Expenses | 269,980 | 376043 |
| Office Expenses | 688,116 | 342555 |
| Travelling and Conveyance | 486,301 | 340836 |
| Rent | - | 143086 |
| Vehicle Running & Maintenance | 1,369,449 | 804357 |
| Postage, Telephones & Internet Charges | 1,268,732 | 391162 |
| Audit fee | 97,000 | 95543 |
| Security Service Charges | 1,485,726 | 372077 |
| Bank Charges | 3,615 | - |
| Cleaning & Sanitation | 1,218,733 | - |
| Advertisement & Publicity | 1,182,819 | 824388 |
| Affiliation & Membership Fee | 172,895 | - |
| Site & Avenue Plantation Expenses | 3,403,489 | 1130751 |
| Lab Expenses | 344,295 | 671525 |
| Insurance | - | 42291 |
| Miscellaneous | 16,577 | 44301 |
| Depreciation | 23,361,566 | 4545779 |
| Total | 59,972,198 | 17,358,410 |
| | | |
| Excess of Income over expenditure during the year | 224,371,410 | 16,180,291 |

Notes forming part of the Accounts(as per Schedule C)

As per our Report of even date
For GUPTA RAVI & ASSOCIATES
Chartered Accountants



M.No.085466
Jammu-24.05.06


 Deputy Registrar (Finance)


 Registrar

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SHRI MATA VAISHNO DEVI UNIVERSITY

Schedule A

SCHEDULE OF FIXED ASSETS AS ON 31ST MARCH, 2006

Amount (Rs.)

| Particulars | Depreciation Rate | Balance As on 01.04.2005 | Additions | | Sale/ Discard | Total | Depreciation | W.D.V as at 31:03.2006 | W.D.V as at 31.03.2005 |
|--|-------------------|--------------------------|--------------------|--------------------|---------------|------------|--------------|------------------------|------------------------|
| | | | More than 180 days | Less than 180 days | | | | | |
| Block A 100% | | | | | | | | | |
| Prefabricated Huts | 100% | 2,800,506 | 265,449 | 393,487 | - | 3,459,442 | 3,262,699 | 196,743 | 2,800,506 |
| Block B 5% | | | | | | | | | |
| Buildings- Residential | 5% | 16,497,182 | 15,922,024 | 5,022,576 | - | 37,441,782 | 2,530,141 | 34,911,641 | 16,497,182 |
| Block C 10% | | | | | | | | | |
| Buildings- other than Residential | 10% | 18,592,670 | 1,617,682 | - | - | 20,210,352 | 3,694,376 | 16,515,976 | 18,592,670 |
| Boundary Walls, Internal Roads, Campus Electrification and other | 10% | 6,505,869 | 29,248,008 | - | - | 35,753,877 | 3,868,151 | 31,885,726 | 6,505,869 |
| Block D 10% | | | | | | | | | |
| Furniture & Fixture | 10% | 5,047,188 | 6,329,655 | 2,762,787 | - | 14,139,630 | 1,275,824 | 12,863,806 | 5,047,188 |
| Electric Fittings | 10% | 2,694,400 | 1,181,795 | 393,931 | - | 4,270,126 | 649,812 | 3,620,314 | 2,694,400 |
| Block E 15% | | | | | | | | | |
| Official Vehicles | 15% | 2,919,291 | 1,340,602 | 440,800 | - | 4,700,693 | 672,044 | 4,028,649 | 2,919,291 |
| Block F 15% | | | | | | | | | |
| Genset | 15% | 604,692 | - | - | - | 604,692 | 90,704 | 513,988 | 604,692 |
| Office Equipments | 15% | 1,821,398 | 1,472,784 | 579,196 | - | 3,873,378 | 537,567 | 3,335,811 | 1,821,398 |
| Site Equipments | 15% | 302,381 | 104,000 | - | - | 406,381 | 60,957 | 345,424 | 302,381 |
| Vibrator | 15% | 27,169 | - | - | - | 27,169 | 4,075 | 23,094 | 27,169 |
| Inverter | 15% | 40,566 | - | - | - | 40,566 | 6,085 | 34,481 | 40,566 |
| Transformer | 15% | 288,750 | - | - | - | 288,750 | 43,313 | 245,437 | 288,750 |
| Workshop Equipments | 15% | - | - | - | - | 1,764,243 | 132,318 | 1,631,925 | - |
| Laboratory Equipments | 15% | - | 1,740,430 | - | - | 2,294,789 | 433,174 | 3,602,045 | - |
| Internal Communication System & Equipments | 15% | - | - | - | - | 1,291,748 | 96,881 | 1,194,867 | - |
| Block G 60% Computer | | | | | | | | | |
| Computer Equipments | 60% | 2,787,152 | 3,463,681 | 341,603 | - | 6,592,436 | 3,852,981 | 2,739,455 | 2,787,152 |
| Computer Software | 50% | 14,000 | 464,736 | 947,043 | - | 1,425,779 | 571,355 | 854,424 | 14,000 |



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| <u>Block H 100%</u> | | | | | | | | | | |
|---------------------|------|--------------------|-------------------|-------------------|--------------------|-------------------|--------------------|--------------------|-------------|-------------|
| Kitchen Equipments | 100% | 57,478 | - | - | 57,478 | 57,478 | - | - | - | 57,478 |
| Kitchen Utencils | 100% | - | 2,711 | 110 | 2,821 | - | 2,766 | 55 | - | - |
| Books | 100% | 345,307 | 611,932 | 466,011 | 1,423,250 | 1,190,245 | 233,005 | 345,307 | 944 | 944 |
| Website | 100% | 944 | - | - | 944 | 944 | - | - | - | - |
| Classroom tools | 100% | 22,148 | 199,975 | - | 222,123 | 222,123 | 222,123 | - | 22,148 | 22,148 |
| Sports Material | 100% | 13,014 | 7,668 | 169,741 | 190,423 | 105,553 | 84,870 | 13,014 | 13,014 | 13,014 |
| <u>Block I 0%</u> | | | | | | | | | | |
| Land Acquisitions | 0% | 121,640,193 | 795,303 | - | 122,435,496 | - | 122,435,496 | 121,640,193 | 121,640,193 | 121,640,193 |
| Total | | 183,022,298 | 64,768,435 | 16,868,065 | 264,658,798 | 23,361,566 | 241,297,232 | 183,022,298 | | |

| <u>Capital Advances & Capital Work in Progress</u> | | | | | | | | | | |
|--|--|--------------------|-------------------|-------------------|--------------------|-------------------|--------------------|--------------------|--|--|
| -for Land Aquisition | | | | | | | | | | |
| -for telephone exchange | | | | | | | | | | |
| -Water Supplies | | | | | | | | | | |
| -for Electricity | | | | | | | | | | |
| -for Site Development | | | | | | | | | | |
| -Construction Works | | | | | | | | | | |
| Total | | 183,022,298 | 64,768,435 | 16,868,065 | 264,658,798 | 23,361,566 | 241,297,232 | 183,022,298 | | |

| | | | | | | | |
|--------------------|--------------------|-------------------|-------------------|--------------------|-------------------|--------------------|--------------------|
| Grand Total | 183,022,298 | 64,768,435 | 16,868,065 | 264,658,798 | 23,361,566 | 538,115,725 | 296,206,896 |
|--------------------|--------------------|-------------------|-------------------|--------------------|-------------------|--------------------|--------------------|

Note : Depreciation for the year on Pre-fabricated Huts, Residential Buildings, Buildings- other than Residential, Boundary Walls, Internal Roads, Fencing etc and Electric Fittings includes Rs. 1400253, 824859, 1859267, 325293 & 269440 on account of depreciation for the year 2004-2005 respectively. This has been provided due to change in accounting treatment of Pre-operative Income which was earlier netted with the cost of aforesaid assets and no depreciation was accordingly provided on these assets during 2004-05. Again, depreciation for the 2005-06 has been computed on WDV after considering the provision for depreciation for the year 2004-2005 as aforesaid.



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SHRI MATA VAISHNO DEVI UNIVERSITY, JAMMU
BALANCE SHEET AS AT 31ST MARCH, 2006

| LIABILITIES | | As At 31/03/06 Amount (Rs.) | As At 31/03/05 Amount (Rs.) | ASSETS | | As At 31/03/06 Amount (Rs.) |
|--|--|--------------------------------|--------------------------------|--|--|--------------------------------|
| Corpus Fund | | | | Fixed Assets (As per Schedule 'A') | | |
| Capital Grant in Aid from Shri Mata Vaishno Devi Shrine Board - As per last Account | | 200,000,000 | 200,000,000 | 183,022,298 | Net Block | 241,297,232 |
| | | | | 112,184,528 | Add: Capital Advances & Capital Work in Progress | 296,818,493 |
| | | | | 79,870,000 | Investment(As per Schedule 'B') | 538,115,725 |
| Reserves & Surplus | | | | Current Assets Loans & Advances | | |
| Income & Expenditure Account | | | | A. Current Assets | | |
| Opening Balance as at 01.04.2005 | | 16,180,291 | | 1) Sundry Debtors | | 241,297,232 |
| Add: Excess of Precooperative Income over Expenditure/ Last Year shown as deduction from Fixed assets | | 173,792,609 | 173,792,609 | II) Interest accrued but not received | | 8,145,819 |
| 16,180,291 | | | | III) Balances with Scheduled Banks: | | |
| Add: Excess of Income Over Expenditure for the year (As per Annexed Account) | | 224,371,410 | 414,344,310 | 5,341,117 | In Savings Bank Account | 9,545,415 |
| | | | | 11,504,261 | In Fixed Deposits Accounts | 14,700,000 |
| | | | | 16,845,378 | | 24,245,415 |
| Current Liabilities | | | | 19,469 | IV) Cash in Hand | |
| Sundry Creditors and Liabilities | | | | B. Loans and Advances | | |
| Towards Supply of Goods, Services and Expenses etc. (including book overdraft with a bank Rs. Nil; Previous Year Rs. 272018) | | 4,568,643 | | 69,284 | Advances to Staff for Expenses | 180,311 |
| 1,152,625 | | 3,520,038 | | 2,081,339 | Dividend receivable | 27,000 |
| 2,283,550 | | 8,533,766 | | 234,000 | Fee Receivable from students | 113,269 |
| 280,000 | | 125,500 | | 468,178 | Prepaid expenses | 942,818 |
| 7,569,979 | | 735,000 | 17,482,947 | 95,002 | Deposits & Advances to others | 1,263,398 |
| | | | | 2,947,803 | | |
| 397,542,879 | | | 631,827,257 | 397,542,879 | | 631,827,257 |

Notes forming part of the Accounts(as per Schedule C)
For our Report of even date

Chartered Accountants
Gupta & Associates
Chartered Accountants
Ravi Kumar Gupta
Pratibha Jain (D85466)
Jammu-181006

Supdt

G. Umesh
Deputy Registrar (Finance)



R. M. S.
Registrar

Schedules forming part of the Balance Sheet

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INVESTMENTS
(NON TRADE - AT COST)

| Acquired during the year | Sold/ redeemed during the year | Balance at the end of the year | Particulars | As at - 31.03.2006 | As at 31.03.2005 |
|---|--------------------------------|--------------------------------|--|--------------------|-------------------|
| Nos. | Nos. | Nos. | | Rs. | Rs. |
| LONG TERM INVESTMENTS | | | | | |
| 1. Government of India Bonds | | | | | |
| | | | 8% Savings(Taxable) Bonds, 2003 Bond Ledger Account No. TBUT1551800595 (Face Value 40,000,000) | 39,600,000 | 39,600,000 |
| | | | 8% Savings(Taxable) Bonds, 2003 Bond Ledger Account No. TBUT1551800597 (Face Value 20,000,000) | 19,800,000 | 19,800,000 |
| | | | 8% Savings(Taxable) Bonds, 2003 Bond Ledger Account No. TBUT1551800598 | 600,000 | 600,000 |
| TOTAL | | | | 60,000,000 | 60,000,000 |
| 2. Mutual Funds | | | | | |
| Unquoted | | | | | |
| Nil | 416,268 | Nil | HDFC Prudence Fund-Dividend Plan | - | 9,935,000 |
| 416,268 | (Nil) | 416,268 | | | |
| Nil | 395,063 | Nil | TBFD TATA Balanced Mutual Fund- Dividend plan | - | 9,935,000 |
| 395,063 | (Nil) | 395,063 | | | |
| TOTAL | | | | - | 19,870,000 |
| GRAND TOTAL | | | | 60,000,000 | 19,870,000 |
| Aggregate Cost of Quoted Investments | | | | - | - |
| Aggregate Cost of Unquoted Investments (Face Value 60,600,000) | | | | 60,000,000 | - |
| | | | | 60,000,000 | - |
| Aggregate NAV of Mutual Funds | | | | Nil | 17,767,704 |



SHRI MATA VAISHNO DEVI UNIVERSITY, JAMMU

I. Summary of Significant Accounting Policies**a. Basis of Accounting**

- i) The accounts of the University are prepared under historical cost convention. The University follows the mercantile system of accounting and recognizes income and expenditure on accrual basis except for certain expenses like Telephone, Insurance, Affiliation & membership Fee.
- ii) The expenditure on Lab Consumables are charged off to expenditure in the year of purchase.

b. Fixed Assets

Fixed assets are stated at cost less depreciation. The cost of an asset comprises of its purchase price/ construction cost (Including material and labour cost).

c. Depreciation

Depreciation on fixed assets is provided on written down value method as per the rates prescribed in Income Tax Act, 1961 except certain assets on which depreciation at the rate of 100% is claimed.

d. Revenue Recognition

Revenue in respect of admission fees received from students is recognized over the period of the course.

Revenue in respect of hostel fees is recognized on accrual basis.

Interest is recognised on a time proportion basis taking into the account the amount outstanding and the rate applicable.

Dividend income is recognised when right to receive dividend is established by the Balance Sheet date.

e. Investments

Long-term investments are stated at cost, less provision for diminution in value of investments, which is considered to be permanent. Current investments are stated at lower of cost or fair market value. Cost includes original cost of acquisition, including brokerage and stamp duty and is net of commission received.

f. Income Tax

The University got itself registered under Section 12AA of the Income Tax Act 1961, vide the letter dated April 20, 2005 from the office of the Commissioner of Income Tax. Further University has also received Income Tax Exemption certificate under Section 10(23C)(vi) of the said act vide the letter dated May 3, 2005 from the commissioner of Income Tax. As a result of which no provision for Income Tax has been made in the books of accounts.



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g. **Change in method of Accounting**

- i. Pre operative Income upto 18th August,2004 amounting to Rs.173,792,609 was treated as a deduction from cost of Fixed Assets during the previous year ended 31.03.05 as a consequence of which the Fixed Assets were understated with a corresponding understatement of Reserves and Surplus by the said amount as on the said date.

However, effective from this year, in accordance with the pronouncements of ICAI, the fixed assets have been taken at gross cost (instead of net of pre operative income) in view of the fact that the income during the pre operative period was never incidental to construction of Fixed Assets. Accordingly, pre operative income has been regrouped and classified as Reserves & Surplus under the head "Income & Expenditure Account". As a consequence of this change the value of Fixed Assets has been increased by Rs. 173,792,609 with an equivalent corresponding increase in Reserves & Surplus without giving effect to the additional depreciation charged to the Income and Expenditure account on the assets on which no depreciation was provided during the previous year because of the capitalized value of assets being less than the pre operative income treated as deduction from Fixed Assets.

Again, as a result of this change an additional depreciation amounting to Rs.4,679,112 has been provided during the current year for the previous year on the fixed assets which were not subjected to depreciation during that year due to netting of pre operative income with the fixed assets. Consequently excess of income over expenditure for the year has been lowered by Rs.4,679,112 on account of additional charge of depreciation as aforesaid.

- ii) Effective from current year, the management has decided to treat the Fee received from Central Counseling Board as Income of the University being Counseling Fee. Accordingly, the sum of Rs. 60,000 received from CCB during the year 2004-2005 and shown as liability as on 31.03.2005 has been written back to Income under the head "Income from Students". As a result of this change the excess of Income over Expenditure for the year has been increased by Rs.420,000/-(including Rs. 360,000 received during the current year).

II. Notes To Accounts

1. BACKGROUND

Established under the Shri. Mata Vaishno Devi University Act, 1999 (Act under the legislative assembly of Jammu and Kashmir) the institution had started functioning on September 1, 1999 (i.e. date of incorporation). The said institution has set up University at Panthal in the state of Jammu and Kashmir to provide various graduate and post graduate level courses on residential basis. The University commenced its operations during the year 2004-05 with inaugural batch starting from August 19, 2004.

2. LAND ACQUISITION AND CAPITAL WORK IN PROGRESS

- a) So far the University has taken possession of 5804 Kanals and 14 Marals of land. The University had received Red Accounts for land acquired from Collector of Land Acquisition to the tune of Rs.122,663,279 for the year ended 31.03.05 and for Rs. 795303 for the period onwards 31.03.05 and hence the same has been capitalized in the books of accounts (except



for Rs.50,086 which is charged as lease rent during the year 2004-2005). The balance amount of Rs.10,308,706 has been still shown under Capital Advance till the time complete accounts for disbursements are made available from the office of the Collector of Land Acquisition. (59)

b) In the absence of proper supporting details, payments made to Power Development Department, J&K; Public Health Department, J&K; TDM BSNL, Udhampur and other advances for the construction of facilities in the University campus aggregating to Rs.26,018,227 have been shown under capital advance in Schedule A. The necessary entries for capitalization would be done as and when the relevant information is received from the concerned authorities.

c) Value of Work in Progress amounting to Rs. 23,411,903 as on 31.03.05 clubbed under the head "Capital Advances and Capital Work in Progress- Construction Works" has been allocated and capitalized during the current year to the following fixed assets on estimated basis in the absence of relevant and adequate details of the said work in progress:

| | | |
|--------------------------------------|---|----------|
| Electric Fittings- Level -II Housing | : | 1575726 |
| Boundary Wall | : | 6003408 |
| Roads, Campus Electrification and | : | 14734915 |
| Other allied works | : | |
| Telephone Exchange Building | : | 1097854 |

3. GRANT-IN-AID

The total Grant-in -Aid of Rs. 258,605,995 from Shri Mata Vaishno Devi shrine Board includes Rs.605,995 on account of Expenditure directly incurred by the Board on behalf of the University. Out of the said expenditure of Rs.605,995, a sum of Rs. 232,655 & Rs. 373,340 have been included under the heads "Salaries & Wages" and "Office Expenses" respectively. Again, out of the said total expenditure, Rs. 364,068 relates to the year 2004-2005.

4. Previous Year's figures have been regrouped/re-classified to conform to current year's classification.

Signatures to Schedules A to C

For GUPTA RAVI & ASSOCIATES

Chartered Accountants



Ravi Kumar Gupta

Partner

M.No.085466

Jammu-24.05.06

Deputy Registrar(Finance)

Registrar