

**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 2007** 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. "Deposits & Advances to others" include Rs.27,31,864/- on account of expenses incurred by the University for construction of boundary wall of the cancer hospital to be recovered from Shri Mata Vaishno Devi Shrine Board.
 - iv. The University has not complied with the provisions of Tax Deduction at Source under the Income Tax Act, 1961 in the case of Rent payments amounting to Rs.2,62,000/- for PRO Office and Audit Fee provision as at 31.03.2007.
 - v. A sum of Rs.48,000/- advanced to Dr.S.K.Wanchoo, Asst. Professor on 08.02.2007 for his tour to abroad is still pending for adjustment.
 - vi. Expenses on account of water supply charges for the period April'2006 to July'2007 have not been accounted for. To the extent of the expenditure which could not be ascertained in the absence of relevant account from PHE Udhampur, excess of income over expenditure for the year has been overstated with a corresponding over statement of Reserves & Surplus.





vii. **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.3,76,74,784/-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-B [Notes 2 (a) & (b)].**

Subject to above clauses (v) to (vii), 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 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, 2007; 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- 9th August, 2007.

Subject to above clauses (v) to (vii), 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 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, 2007; 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- 9th August, 2007

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**SHRI MATA VAISHNO DEVI UNIVERSITY
BALANCE SHEET AS AT 31ST MARCH, 2007**

As At 31/03/06 Amount (Rs.)	LIABILITIES	As At 31/03/07 Amount (Rs.)	As At 31/03/06 Amount (Rs.)	ASSETS	As At 31/03/07 Amount (Rs.)
200,000,000	Corpus Fund Capital Grant in Aid from Shri Mata Vaishno Devi Shrine Board - As per last Account	200,000,000	241,297,232	Fixed Assets (As per Schedule 'B') Net Block Add: Capital Advances & Capital Work in Progress	466,427,292 293,104,867
16,180,291	Reserves & Surplus Income & Expenditure Account Opening Balance as at 01.04.2006	414,344,310	538,115,725	Investments (As per Schedule 'C')	759,532,159
173,792,609	Add: Excess of Preoperative Income over Expenditure/ Last Year shown as deduction from Fixed assets		60,000,000		60,000,000
224,371,410	Add: Excess of Income over Expenditure for the year (As per Annexed Account-Schedule "A")	241,177,668		Current Assets Loans & Advances	
414,344,310		655,521,978	A. Current Assets		
	Current Liabilities		27,000	I) Sundry Debtors	155,420
4,568,643	Sundry Creditors and Liabilities towards supply of Goods, Services and Expenses	18,159,749	56,900	Fee Receivable from Students Others	15,232
3,520,038	Advance fees from students	8,263,782	8,145,819	II) Interest accrued but not received	15,674,822
8,533,766	Retention Money from Contractor/Suppliers	15,150,314	9,545,415	III) Balances with Scheduled Banks: In Savings Bank Account	14,745,968
125,500	Security Deposit from Contractors/Suppliers	724,328	14,700,000	In Fixed Deposits Accounts	45,575,000
735,000	Security Deposit from Students	2,440,000	24,245,415	IV) Cash in Hand	60,320,968
17,482,947		44,738,173			13,905
631,827,257		900,260,151	631,827,257		900,260,151
			113,269	Prepaid expenses	783,038
			942,818	Deposits & Advances to others	3,685,723
			1,236,398		4,547,645

Notes forming part of the Accounts (Schedule "P")

As per our report of even date

For G.P.P. RAVI & ASSOCIATES
Chartered Accountants
Ravi Kumar Gupta
Partner (M.No.0933466)
Jammu, 9th August 2007.



V. Radhakrishnan
Finance Officer



Registrar

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**SHRI MATA VAISHNO DEVI UNIVERSITY
STATEMENT OF INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2007**

Particulars	For The Year ended 31st March, 2007	For The Year ended 31st March, 2006
Income		
	Amount (Rs.)	Amount (Rs.)
Grant in Aid from Shri Mata Vaishno Devi Shrine Board	295,085,333	258,605,995
Income from Students	30,168,998	13,552,591
Interest on Fixed Deposits, Bonds and others	9,140,968	7,189,413
Donation	-	40,000
Profit on Redemption of units	-	4,423,674
Miscellaneous Receipts	782,698	531,935
Total	335,177,997	284,343,608
Less : Expenditure		
Salaries, Wages & other personnel exp.	28,783,853	19,779,015
Repairs and Maintenance of Buildings and others	3,113,913	587,655
University prospectus expenses	157,540	148,000
Electricity charges	3,075,589	2,635,701
Water Supply Charges	587,528	233,216
Printing & Stationery	1,056,591	756,081
News Papers Periodicals & E-Journals	1,056,098	56,341
Seminars & Meetings	170,638	405,453
Legal and Professional Fee	38,480	57,783
Staff Selection Expenses	118,915	269,980
Office Expenses	340,247	648,352
Travelling and Conveyance	794,702	486,301
Rent	332,333	-
Vehicle Running & Maintenance	1,415,268	1,369,449
Postage, Telephones & Internet Charges	864,607	1,268,732
Audit fee	75,000	97,000
Security Service Charges	2,654,531	1,485,726
Bank Charges	-	3,615
Cleaning & Sanitation	1,785,887	1,218,733
Advertisement & Publicity	2,033,710	1,182,819
Affiliation & Membership Fee	197,217	172,895
Site & Avenue Plantation Expenses	1,150,299	3,403,489
Lab Expenses	495,840	344,295
Depreciation	43,701,545	23,361,566
Total	94,000,329	59,972,198
Excess of Income over expenditure during the year	241,177,668	224,371,410
Notes forming part of the Accounts (Schedule "D")		
As per our report of even date		
For GUPTA RAVI & ASSOCIATES Chartered Accountants Ravi Kumar Gupta Partner (M.No.085466) Jammu- 9th August 2007.	<i>V. Radha Krishna</i> Finance Officer	<i>[Signature]</i> Registrar



SHRI MATA VAISHNO DEVI UNIVERSITY

SCHEDULE OF FIXED ASSETS AS ON 31ST MARCH, 2007

Amount (Rs.)

Particulars	Depreciation Rate	Balance As on 01.04.2006	Additions during the year		Sale/ Discard	Total	Depreciation for the year	W.D.V as at 31.03.2007	W.D.V as at 31.03.2006
			More than 180 days	Less than 180 days					
Block A 100%									
Prefabricated Huts	100%	196,743	-	-	-	196,743	196,743	-	196,743
Block B 5%									
Buildings- Residential	5%	34,911,641	2,123,125	10,328,245	-	47,363,011	2,109,944	45,253,067	34,911,641
Block C 10%									
Buildings- other than Residential	10%	16,515,976	193,623,844	-	-	210,139,820	21,013,982	189,125,838	16,515,976
Boundary Walls, Internal	10%	31,885,726	12,413,822	95,455	-	44,395,003	-	39,960,275	31,885,726
Roads, Campus Electrification and other allied works									
Block D 10%									
Furniture & Fixture	10%	12,863,806	4,596,474	2,265,991	-	19,726,271	1,859,328	17,866,943	12,863,806
Electric Fittings	10%	3,620,314	14,408,948	362,566	-	18,391,828	1,821,055	16,570,773	3,620,314
Block E 15%									
Official Vehicles	15%	4,028,649	-	-	-	4,028,649	604,297	3,424,352	4,028,649
Block F 15%									
Office Equipments (Fax EPBAX, AC Gyser Cooler ect)	15%	3,335,811	972,948	1,596,704	-	5,905,463	766,067	5,139,396	3,335,811
Genset	15%	513,988	-	-	-	513,988	77,098	436,890	513,988
Inverter	15%	34,481	46,100	46,100	-	126,681	15,545	111,136	34,481
Transformer	15%	245,437	-	28,000	-	273,437	38,916	234,521	245,437
Workshop Equipments	15%	1,631,925	8,227,685	-	-	9,859,610	1,478,942	8,380,668	1,631,925
Laboratory Equipments	15%	3,602,045	1,832,805	426,276	-	5,861,126	847,198	5,013,928	3,602,045
Const Equipments at Site	15%	368,518	-	-	-	368,518	55,278	313,240	368,518
Internal Communication System & Equipments	15%	1,194,867	8,473,138	-	-	9,668,005	1,450,201	8,217,804	1,194,867
Block G 60% Computer									
Computer Equipments	60%	2,739,455	1,200,612	1,328,882	-	5,268,949	2,762,705	2,506,244	2,739,455
Computer Software	60%	854,424	528,138	294,800	-	1,677,362	917,977	759,385	854,424
Block H 100%									
Kitchen Utencils	100%	55	-	-	-	55	6,388	6,333	55
Books	100%	233,005	2,117,599	1,219,786	-	3,570,390	2,960,497	609,893	233,005
Sports Material	100%	84,870	103,258	110,521	-	298,649	243,389	55,260	84,870
Misc Tools	100%	-	35,417	11,700	-	47,117	41,267	5,850	-
Block I 0%									
Land Acquisitions	0%	122,435,496	-	-	-	122,435,496	-	122,435,496	122,435,496
Total		241,297,232	250,703,913	18,127,692	-	510,128,837	43,701,545	466,427,292	241,297,232



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Capital Advances & Capital Work in progress

-for Land Acquisition	10,308,707	10,308,707
-for Construction Works	255,430,082	260,491,559
-for Electricity	18,003,300	16,382,300
-for Site Development	434,104	574,104
-for Water Supplies	7,883,039	8,016,188
-for telephone exchange	1,045,635	1,045,635

Total	293,104,867	296,818,493
Grand Total	241,297,232	538,115,725



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Schedule C

Acquired during the year	Sold/ redeemed during the year	Balance at the end of the year	Particulars	As at 31.03.2007	As at 31.03.2006
Nos.	Nos.	Nos.		Rs.	Rs.

LONG TERM INVESTMENTS

1. Government of India Bonds

8% Savings(Taxable) Bonds, 2003 Bond Ledger Account No. TBUTI551800595	39,600,000	39,600,000
8% Savings(Taxable) Bonds, 2003 Bond Ledger Account No. TBUTI551800597	19,800,000	19,800,000
8% Savings(Taxable) Bonds, 2003 Bond Ledger Account No. TBUTI551800598	600,000	600,000

TOTAL	60,000,000	60,000,000
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2. Mutual Funds
Unquoted

Schedule C

(Nil)	(Nil)	(Nil)	HDFC Prudence Fund-Dividend Plan	-	-
(Nil)	416,268	(Nil)		31.03.2007	31.03.2006
(Nil)	(Nil)	(Nil)	TBFD TATA Balanced Mutual Fund- Dividend plan	-	-
(Nil)	395,063	(Nil)			

LONG TERM INVESTMENTS

TOTAL	60,000,000	60,000,000
GRAND TOTAL	60,000,000	60,000,000
Aggregate Cost of Quoted Investments	19,800,000	19,800,000
Aggregate Cost of Unquoted Investments	60,000,000	-
8% Savings(Taxable) Bonds, 2003 Bond Ledger Account No. TBUTI551800598	600,000	600,000
TOTAL	60,000,000	60,000,000



2. Mutual Funds
Unquoted

(Nil)	(Nil)	(Nil)	HDFC Prudence Fund-Dividend Plan
(Nil)	416,268	(Nil)	
(Nil)	(Nil)	(Nil)	TBFD TATA Balanced Mutual Fund-Dividend plan
(Nil)	395,063	(Nil)	

TOTAL	60,000,000	60,000,000
GRAND TOTAL	60,000,000	60,000,000
Aggregate Cost of Quoted Investments	19,800,000	19,800,000
Aggregate Cost of Unquoted Investments	60,000,000	-
TOTAL	60,000,000	60,000,000

SHRI MATA VAISHNO DEVI UNIVERSITY

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.
- iii) Cost of whole of the Energy Saving Electric Fittings & Fixtures amounting to Rs.21,91,478/-purchased from Asian Electronic during the year to the revenue irrespective of material in hand at the year end 31.03.2007.
- iv) During the year, architect fee actually paid and hither to being clubbed under the head Capital Work in Progress has been allocated to the buildings completed up to 31.03.2007. Other Architect/Consultancy Fee paid and directly related to the projects in progress is being clubbed under the head capital work in progress.

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

- i) Revenue in respect of admission fees received from students is recognized over the period of the course.
- ii) Revenue in respect of hostel fees is recognized on accrual basis.
- iii) Interest is recognised on a time proportion basis taking into the account the amount outstanding and the rate applicable.
- iv) Dividend income is recognised when right to receive dividend is established by the Balance Sheet date.



d. Revenue Recognition

v) Share of the University income out of Research & Development Grants is being accounted for on completion of the respective projects.

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 applied for grant of Approval for Continuance of Exemption under Section 10(23C)(vi) of Income Tax Act, 1961 well in time and the said approval is expected to be received shortly. As a result of which no provision for Income Tax has been made in the books of account.

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 account (except for Rs.50,086/- which has been charged as lease rent during the year 2004-2005) The coat of land capitalized as aforesaid has been reduced by a sum of Rs. 973,000 recovered towards the allotment of Land for rehabilitation of land owners. 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.

b) In the absence of proper supporting details, payments made to Power Development Department,J&K; Public Health Department,J&K; TDM, BSNL, Udampur and other advances for the construction of facilities in the University campus aggregating to Rs.27,366,078/-have been shown under capital advance in Schedule "B". The necessary entries for capitalization would be done as and when the relevant information is received from the concerned authorities.



LAND ACQUISITION AND CAPITAL WORK IN PROGRESS

The University has taken possession of 5804 kanals and 14 Maral 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. 795,303/- for the period onwards 31.03.05 and hence the same has been capitalized in the books of account (except for Rs.50,086/- which has been charged as lease rent during the year 2004-2005)

3. PRIOR PERIOD EXPENSES

The expenses under the heads " Water Supply Charges" and " Site & Avenue Plantation Expenses" include Rs. 126,980/- and Rs. 140,000/- on account of prior period expenses.

4. DEPOSITS & ADVANCES

"Deposits & Advances to others" include Rs.2,731,864/- on account of expenses incurred by the University for construction of boundary wall of the cancer hospital to be recovered from Shri Mata Vaishno Devi Shrine Board.

3. GRANT-IN-AID

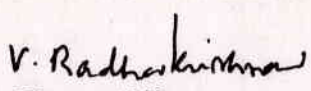
The total Grant-in-Aid of Rs.295,085,333/- from Shri Mata Vaishno Devi Shrine Board includes Rs.85,333/- on account of expenditure directly incurred by the Board on behalf of the University.

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

Signatures to Schedules 'A' to 'D'

For GUPTA RAVI & ASSOCIATES
Chartered Accountants


Ravi Kumar Gupta
Partner
M.No.085466
Jammu- 9th August 2007.


V. Radhakrishnan
Finance Officer
SMVDU


Registrar
SMVDU




The total Grant-in-Aid of Rs. 295,085,333/- from Shri Mata Vaishno Devi Shrine Board includes Rs. 85,333/- on account of expenditure directly incurred by the Board on behalf of the University.

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

Signatures to Schedules 'A' to 'D'

For GUPTA RAVI & ASSOCIATES
Chartered Accountants


Ravi Kumar Gupta
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Jammu- 9th August 2007.


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